



GLOBAL FINANCIAL INTEGRITY



RESEARCH REPORT

THE ENABLERS GAP

ASSESSMENT OF THE SHADOWY
CRAFTSMEN OF ILLICIT WEALTH

THE CASE OF KENYA, UGANDA AND GHANA

KENYA

UGANDA

GHANA

SEPTEMBER 2026



GLOBAL FINANCIAL INTEGRITY

The Enablers Gap

Assessment of the Shadowy Craftsmen of Illicit Wealth

The Case of Kenya, Uganda and Ghana

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LIST OF ABBREVIATIONS

Anti-Corruption and Economic Crimes Act	ACECA
Attorney General	A.G
Artificial Intelligence	AI
Anti-Money Laundering	AML
Anti-Money Laundering Act	AMLA
Asset Recovery Agency	ARA
Agyapa Royalties Limited	ARL
Artisanal and Small-Scale Gold Mining	ASGM
African Union Advisory Board on Corruption	AUABC
African Union Convention on Preventing and Combating Corruption	AUCPCC
Beneficial Ownership	BO
Business Registration Service	BRS
Central Bank of Kenya	CBK
Customer Due Diligence	CDD
Countering Financing of Terrorism	CFT
Construction Corporation	CICO
Capital Markets Authority	CMA
Countering Proliferation Financing	CPF
Civil Society Organization	CSO
Designated Non-Financial Businesses and Professions	DNFBP
Department of Justice	DOJ
Ethics and Anti-Corruption Commission	EACC
Economic Community of West African States	ECOWAS
Extractive Industries Transparency Initiative	EITI
Economic and Organised Crime Office	EOCO
Eastern and Southern Africa Anti-Money Laundering Group	ESAAMLG
European Union	EU
Financial Action Task Force	FATF
Federal Bureau of Investigation	FBI
Financial Intelligence Authority	FIA
Financial Intelligence Centre	FIC
Financial Intelligence Unit	FIU
Financial Reporting Centre	FRC
Ghana Bar Association	GBA
Gross Domestic Product	GDP

Global Financial Integrity	GFI
Inter-Governmental Action Group against Money Laundering in West Africa	GIABA
Deutsche Gesellschaft für Internationale Zusammenarbeit	GIZ
Ghana Revenue Authority	GRA
Health Membership Organisations	HMO
Institute of Chartered Accountant Ghana	ICAG
Institute of Certified Public Accountants of Kenya	ICPAK
Institute of Certified Public Accountants of Uganda	ICPAU
International Convention for the Suppression of the Financing of Terrorism	ICSFT
Illicit financial flows	IFF
Integrated Financial Management System	IFMS
International Monetary Fund	IMF
Insurance Regulatory Authority	IRA
Kenya Revenue Authority	KRA
Know Your Customer	KYC
Large Cash Transaction Reports	LCTR
Legislative Instrument	LI
Bachelor of Laws	LLB
Limited Liability Partnerships	LLP
Law Society of Kenya	LSK
Mutual Administrative Assistance in Tax Matters	MAAC
Mutual Evaluation Report	MER
Mineral Income Investment Fund	MIIF
Money Laundering	ML
Narcotics Control Commission	NACOC
National Bank of Kenya	NBK
National Investigation Bureau	NIB
National Lotteries and Gaming Regulatory Board	NLGRB
Non-Profit Organizations	NPO
National Regulatory Authority	NRA
Natural Resource Governance Institute	NRGI
National Youth Service	NYS
Organisation for Economic Co-operation and Development	OECD
Open Government Partnership	OGP
Office of the Registrar of Companies	ORC
Office of the Special Prosecutor	OSP
Politically Exposed Persons	PEP

Public Finance Management Act	PFMA
Proceeds of Crime and Anti-Money Laundering Act	POCAMLA
Real Estate Agency Council	REAC
Real Estate Investment Trust	REIT
Real Estate Transaction Certificate	RETC
Sacco Societies Regulatory Authority	SASRA
Securities and Exchange Commission	SEC
Special Purpose Vehicle	SPV
Self-Regulatory Body	SRB
Suspicious Transaction Reports	STR
Trade-based Money Laundering	TBML
Trust and Company Service Providers	TCSP
Targeted Financial Sanctions	TFS
Uganda Law Society	ULS
United Nations	UN
UN Convention against Corruption	UNCAC
United Nations Conference on Trade and Development	UNCTAD
UN Convention against Transnational Organised Crime	UNTOC
Uganda National Roads Authority	UNRA
UN Convention Against Transnational Organised Crime	UNTOC
Uganda Revenue Authority	URA
Uganda Registration Services Bureau	URSB
Virtual Assets	VA
Virtual Assets Service Provider	VASP

EXECUTIVE SUMMARY

Illicit financial flows (IFFs) cost Africa at least USD 50 billion annually, and Uganda, Kenya, and Ghana each illustrate a different facet of this problem. Ghana ranks third in sub-Saharan Africa for IFF losses, with an estimated USD 54.1 billion lost between 2013 and 2022; Kenya ranks not far behind, at fifth, with an estimated USD 47.5 billion lost over the same period. Uganda's exposure is smaller in absolute terms but no less structurally significant. Trade misinvoicing alone produced an estimated USD 6.6 billion value gap between 2006 and 2015, with continuing annual losses estimated at more than UGX 2 trillion. Behind nearly every significant movement of illicit capital across all three jurisdictions stands a professional enabler: a lawyer who structures the vehicle, an accountant who certifies the accounts, a real estate agent who closes the deal, or a trust and company service provider who maintains anonymity. This report examines efforts to regulate professional enablers of IFFs across Uganda, Kenya, and Ghana.

All three countries have made legislative and institutional progress, though at different paces. Ghana has enacted the Anti-Money Laundering Act, 2020 (Act 1044), the Real Estate Agency Act, 2020 (Act 1047), and the Gold Board Act, 2025 (Act 1140); completed its 2024 National Risk Assessment; and exited the FATF grey list in 2021. Kenya has built a comparatively wide institutional framework, including the Financial Reporting Centre, the Central Bank of Kenya, the Capital Markets Authority, and the Ethics and Anti-Corruption Commission, all anchored in the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), 2009, but remains on the FATF grey list as of the most recent 2026 plenary. Uganda, by contrast, was delisted from the FATF grey list in 2025 on the strength of reforms centred on the Anti-Money Laundering Act, Cap. 118, and the Financial Intelligence Authority, though its DNFBP-specific supervisory regime remains comparatively underdeveloped.

Despite this uneven progress, significant gaps persist across all three jurisdictions: trust and company service providers still lack a dedicated licensing regime; suspicious transaction reporting (STR) by DNFBPs remains minimal; digital and AI-enabled typologies are an emerging area, barely addressed by current law in any of the three countries; and each faces (or has recently faced) FATF Mutual Evaluation processes with effectiveness issues that technical compliance alone cannot resolve. Emerging global perspectives on AI, virtual assets, and RegTech as both risks and solutions in combating professional enablers are also addressed.

Documented case studies of professional enablement are captured for Uganda, Kenya, and Ghana. This report further highlights key initiatives for regulating professional enablers, the legislative and regulatory gaps in each jurisdiction, and pairs them with specific recommendations and conclusions.



THE THREE JURISDICTIONS AT A GLANCE

A comparative reading of Kenya, Uganda and Ghana across the measures that shape professional-enabler risk

	KENYA	UGANDA	GHANA
Estimated IFF losses, 2013–2022	USD 47.5 billion	Not separately estimated; USD 6.6 billion trade misinvoicing gap, 2006–2015	USD 54.1 billion
FATF grey-list status	Listed since February 2024	Listed twice; exited in 2025	Listed in 2020; exited in 2021
Principal AML statute	Proceeds of Crime and Anti-Money Laundering Act, 2009	Anti-Money Laundering Act, Cap. 118	Anti-Money Laundering Act, 2020 (Act 1044)
Financial intelligence unit	Financial Reporting Centre (FRC)	Financial Intelligence Authority (FIA)	Financial Intelligence Centre (FIC)
Regional review body	ESAAMLG	ESAAMLG	GIABA
Defining structural gap	Wide institutional architecture, but minimal reporting by professionals	Enforcement uneven and regulatory coordination fragmented	No dedicated licensing or supervision regime for trusts and company service providers

Source: GFI analysis of the Kenya, Uganda and Ghana material presented in this report.

1 | INTRODUCTION

Definition of Illicit Wealth.

Illicit financial flows (IFFs) refer to cross-border movement of capital linked to illegal activities or, more explicitly, illegal money that is earned, transferred or utilised across borders.¹ These flows involve the movement of money and assets where crime or illegal activity forms the core of their origin, transfer, or use.² They can take multiple forms, including money laundering, tax evasion, corruption, smuggling, and terrorist financing, and can be categorized into three primary domains: actions that directly contravene the law, such as money laundering, corruption, or tax evasion; capital originating from illicit activities, including the smuggling and trafficking of minerals, wildlife, drugs, and humans; and the utilization of funds for unlawful objectives, such as sponsoring organized criminal endeavours.³

THE PROFESSIONAL ENABLER PERIMETER



Lawyers and
notaries



Accountants and
auditors



Real estate agents



Dealers in precious
metals and stones



Trusts and company
service providers



Casinos and gaming
operators

Professional enablers are the architects and protectors of the systems that allow illicit wealth to circulate undetected.

Background

Illicit financial flows represent one of the most significant threats to global financial integrity, draining billions of dollars from both developed and developing countries annually.⁴ These flows weaken the ability of governments to fund social services, undermine economic stability, and entrench inequality. For Africa alone, the United Nations Conference on Trade and Development (UNCTAD) estimates annual losses of about US \$88.6 billion, or 3.7% of the continent's GDP, largely due to trade misinvoicing and illicit transfers in the extractive sector.⁵ At the global level, institutions such as the International Monetary Fund (IMF) and World Bank have repeatedly warned that IFFs distort competition, reduce tax revenue, destabilise financial systems, and erode citizens' trust in government.⁶ In short, illicit financial flows are not abstract figures; they directly translate into fewer schools, hospitals, and infrastructure projects worldwide.

¹ Illicit Financial Flows (IFFs) (worldbank.org) as accessed on 4/09/2024

² https://unstats.un.org/sdgs/metadata/files/Metadata-16-04-01.pdf?utm_

³ <https://www.akinamamawaafrika.org/wp-content/uploads/2020/02/StopTheBleedingUG.pdf> as accessed on 4/09/2024

⁴ <https://www.imf.org/en/About/Factsheets/Sheets/2023/Fight-against-illicit-financial-flows?>

⁵ https://unctad.org/system/files/non-official-document/IFFsInAfrica_Report_20230110_Final_en.pdf

⁶ [https://www.worldbank.org/en/topic/financialsector/brief/illicit-financial-flows-iffs#:~:text=E2%80%9CMoney%20illegally%20earned%2C%20transferred%2C,illicit%20financial%20flows%20\(IFFs\),](https://www.worldbank.org/en/topic/financialsector/brief/illicit-financial-flows-iffs#:~:text=E2%80%9CMoney%20illegally%20earned%2C%20transferred%2C,illicit%20financial%20flows%20(IFFs),)

HOW PROFESSIONAL ENABLERS WORK



In the last decade, illicit financial outflows from Africa have reached a level almost equivalent to the combined total annual inflows of official development assistance (ODA) and foreign direct investment (FDI) received by African countries. This vast volume of capital generated and moved illegally not only jeopardises the integrity of financial systems and the continent's socio-economic development by stripping countries of much needed resources, but also has a devastating impact on countries' governance, the rule of law and collective security. Numerous African countries have been included in the FATF 'grey' list, as well as in the EU lists of high-risk third-country jurisdictions ('EU AML list') and of Non-Cooperative Jurisdictions for tax purposes ('EU tax list'). These listing have uncovered persisting challenges in mitigating the Money Laundering and Terrorism Financing (ML/TF) risk, such as inadequate resources and training in controlling bodies, structural obstacles related to policy development, legislation, law enforcement, and cooperation across the continent. The prevalence of these challenges also deprives countries of crucial domestic resources, financial investments and trade, as they are deterred by countries' risk profile.

Common channels include trade misinvoicing, where goods are deliberately over- or under-valued to facilitate the movement of money across borders; tax evasion and avoidance, where complex legal loopholes are exploited to reduce obligations; and corruption, where public assets are diverted for private gain.⁷

Further, these activities rarely succeed in isolation. They depend heavily on the skills and services of professional enablers, which include lawyers, accountants, real estate agents, company service providers, and bankers, who design, facilitate, or conceal the financial structures that allow illicit capital to move undetected.⁸ FATF lists professional enablers as Designated Non Financial Businesses and Service Providers (DNFBPS) which include casinos, real estate agents, dealers in precious metals and stones, accountants, trust and company service providers, and independent legal professionals like lawyers and notaries.⁹ Criminals exploit these service sectors to purchase high-value assets like real estate, establish opaque corporate structures that conceal true beneficial ownership, and abuse professional confidentiality to shield transactions from regulatory scrutiny.

Reports by Transparency International and U4 Anti-Corruption Resource Centre make clear that professional enablers are central to IFFs because they occupy the "grey zone" between legal and illegal financial activity. They serve as financial gatekeepers capable of integrating large sums of illicit wealth into the economy. Many of them operate across jurisdictions, often delivering services from secrecy hubs such as the British Virgin Islands, Switzerland, the United Arab Emirates (UAE), or Cyprus.¹⁰ This cross-

⁷ https://au.int/sites/default/files/documents/40545-doc-IFFs_REPORT.pdf

⁸ <https://www.u4.no/publications/professional-enablers-of-illicit-financial-flows-and-high-risk-service-and-jurisdictions>

⁹ <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html>

¹⁰ <https://www.u4.no/publications/professional-enablers-of-illicit-financial-flows-and-high-risk-service-and-jurisdictions>

border reach allows enablers to exploit weak regulatory oversight and inconsistencies in legal frameworks.

In Africa, for instance, Transparency International found that over 40% of enabling services used to channel illicit wealth abroad were delivered outside the jurisdiction where the enabler was based, complicating accountability.¹¹ This reality highlights how IFFs are not only a question of corrupt officials or criminals in source countries, but also of sophisticated professionals in global financial centres who design and maintain the channels through which illicit money flows.

The global community has taken steps to confront these challenges, but gaps remain. Initiatives such as the Financial Action Task Force (FATF) have pushed for stronger anti-money laundering standards and greater beneficial ownership transparency,¹² while the United Nations' Sustainable Development Goal 16.4.1 has introduced a statistical framework to measure IFFs more systematically.¹³ Several countries, including the United Kingdom (UK), Cyprus, and the UAE, have introduced reforms ranging from anti-corruption champions to new asset-freezing powers and beneficial ownership registries.¹⁴ However, these reforms often stumble in practice because they do not adequately target the role of professional enablers.

Professional enablers frequently benefit from professional secrecy, weak regulation of service-based risks, and political reluctance to interfere with lucrative financial services industries.¹⁵ As a result, while laws exist on paper, enforcement remains fragmented, and IFFs continue to morph and adapt through new tools and technologies such as cryptocurrencies and other online platforms.¹⁶

The persistence of IFFs, therefore, cannot be fully understood without recognising the structural role of professional enablers. They are the architects and protectors of the systems that allow illicit wealth to circulate undetected, connecting crime, corruption, and global finance.¹⁷ Without their active participation, many cross-border illicit flows would face insurmountable barriers. For this reason, effective global strategies against IFFs must move beyond chasing illicit money after it has moved and instead close the “service loophole” by regulating, supervising, and holding enablers accountable.¹⁸ This means developing service-based regulation that covers legal, accounting, and financial professionals, harmonising beneficial ownership rules across jurisdictions, and strengthening international cooperation to prevent professionals from hiding behind borders. Unless the role of professional enablers is addressed head-on, IFFs will remain a stubborn and systemic global challenge.

The Significance and Categories of Professional Enablers

Professional enablers are gatekeepers of the financial system whose wilful, complicit, or negligent conduct can open closed doors for criminals to launder their illicit funds. The skills and services provided by these individuals and businesses can be exploited by criminals to move, hide or disguise illicit funds. They often operate in legitimate sectors but are exploited by criminal elements to undermine financial integrity.¹⁹

¹¹ <https://www.transparency.org/en/news/how-enablers-facilitate-illicit-financial-flows-from-africa>

¹² <https://www.imf.org/en/About/Factsheets/Sheets/2023/Fight-against-illicit-financial-flows>

¹³ <https://unctad.org/statistics/illicit-financial-flows>

¹⁴ Ibid.

¹⁵ <https://www.transparency.org/en/news/how-enablers-facilitate-illicit-financial-flows-from-africa>

¹⁶ <https://chambers.com/articles/principles-of-anti-money-laundering-and-combatting-the-financing-of-terrorism>

¹⁷ <https://www.transparency.org/en/news/how-enablers-facilitate-illicit-financial-flows-from-africa>

¹⁸ professional-enablers-of-illicit-financial-flows-and-high-risk-service-and-jurisdictions

¹⁹ <https://aml-cft.net/library/designated-non-financial-businesses-professions-dnfbps/>

Each of these professions, as identified as DNFBPs by FATF, occupies a critical position within financial or commercial transactions, and the standards explicitly require them to adopt safeguards to prevent being exploited as professional enablers.²⁰ Lawyers and notaries, for instance, are frequently involved in structuring transactions, creating trusts or shell companies, and drafting contracts, which can be exploited to conceal the true ownership of funds and shield illicit activities under the protection of professional confidentiality.²¹ Accountants and auditors can also be misused, particularly in trade-based money laundering and tax evasion schemes, by preparing false invoices, misreporting financial statements, or designing complex financial structures that obscure the flow of illicit funds.²² Real estate agents play a similar role through high-value property transactions, over- or under-valuations, and the use of nominee buyers, making it easier to integrate illicit money into the legal economy, while casinos provide opportunities to “clean” cash by exchanging chips and cashing out under the guise of gambling winnings.²³

Dealers in precious metals and stones, such as gold and diamonds, offer high-value, easily transportable commodities that can be traded across borders with minimal oversight, making them attractive vehicles for money laundering.²⁴ Similarly, TCSPs are central to the creation and administration of companies, trusts, and other legal entities that can obscure the identity of beneficial owners, often providing nominee directors or shareholders to further hide illicit activity.²⁵ Criminal networks frequently combine these services, using lawyers to establish entities, accountants to manage books, TCSPs to register companies, and real estate agents or casinos to convert illicit funds into tangible or legitimate assets, creating layers of complexity that make detection difficult.

While only a minority of professionals may act knowingly in these schemes, even limited complicity can have a disproportionately damaging effect on financial integrity. Regulatory and enforcement gaps, such as weak supervision, jurisdictional loopholes, and inadequate monitoring of professional conduct, allow these enablers to operate with minimal oversight.²⁶ Reports have highlighted cases in which professional bodies allocate minimal resources to anti-money laundering supervision, undermining efforts to detect and prevent illicit flows.

Under the FATF Standards, ESAAMLG and GIABA guidance documents and typology reports, these professions are not treated as ordinary service providers but as gatekeepers of the financial system. They are required to carry out customer due diligence (CDD), which involves verifying clients' identities, understanding the purpose of business relationships, and monitoring transactions for suspicious activity. They must also ensure transparency of beneficial ownership, meaning they cannot hide behind shell companies or complex legal arrangements when dealing with clients. In addition, they are obliged to file suspicious transaction reports (STRs) with their country's Financial Intelligence Unit (FIU) whenever they encounter activity that may be linked to money laundering, terrorism financing, or other financial crimes.²⁷

²⁰ <https://arctic-intelligence.com/insights/gatekeepers-role-combating-money-laundering-terrorism-financing> & FATF Recommendations.

²¹ <https://www.fatf-gafi.org/en/publications/Methodsandtrends/Mltf-vulnerabilities-legal-professionals.html> & <https://arctic-intelligence.com/insights/case-studies-legal-professionals-laundering>

²² <https://arctic-intelligence.com/insights/how-criminals-exploit-accounting-professionals-money-laundering-prevention>

²³ <https://arctic-intelligence.com/insights/case-studies-real-estate-laundering>

²⁴ <https://arctic-intelligence.com/insights/how-criminals-exploit-dealers-in-precious-metals-and-stones-for-money-laundering>

²⁵ <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Rba-trust-company-service-providers.html> & <https://arctic-intelligence.com/insights/how-criminals-exploit-trust-company-service-providers-money-laundering-prevention>

²⁶ [https://www.esaamlg.org/reports/Kenya_Mutual_Evaluation_Detail_Report\(2\).pdf](https://www.esaamlg.org/reports/Kenya_Mutual_Evaluation_Detail_Report(2).pdf)

²⁷ [https://www.esaamlg.org/reports/Kenya_Mutual_Evaluation_Detail_Report\(2\).pdf](https://www.esaamlg.org/reports/Kenya_Mutual_Evaluation_Detail_Report(2).pdf)

PART ONE

UGANDA

UGANDA · COUNTRY PROFILE

2x

Times grey-listed by the FATF for deficiencies in its AML/CFT framework

USD 6.6B

Trade misinvoicing value gap recorded between 2006 and 2015

FATF GREY LIST HISTORY



AT A GLANCE

Annual losses to illicit activity

In excess of USD 500 million each year, driven by trade misinvoicing, tax evasion and corruption.

Continuing annual outflows

Estimated at more than UGX 2 trillion.

Principal statute

The Anti-Money Laundering Act, Cap. 118, supervised by the Financial Intelligence Authority.

STRUCTURAL EXPOSURE



PROFESSIONAL ENABLERS IMPLICATED



ILLUSTRATIVE CASE

Bank of Uganda and the Mukono–Kyetume road contract

UGX 165 billion (approximately USD 63.5 million) was committed to upgrade the Mukono–Kyetume road, with UGX 24.7 billion paid to a contractor despite the company's lack of demonstrated capacity. Separately, UGX 53 billion (USD 14 million) was moved out of the Bank of Uganda, including USD 8.596 million intended for the African Development Bank.

2 | THE UGANDAN CONTEXT

Background

Illicit Financial Flows (IFFs) in Uganda represent a significant challenge to the nation's economic development and governance. Firstly, Uganda has been grey-listed twice by the FATF due to the deficiencies in its Anti-Money Laundering and Combating Financing of Terrorism framework.²⁸ Secondly, the country faces annual losses exceeding \$500 million due to various illicit activities, including trade misinvoicing, tax evasion, and corruption.²⁹

These outflows undermine domestic resource mobilisation, exacerbate debt burdens, and hinder the government's ability to finance essential public services and infrastructure projects.³⁰ A critical factor contributing to IFFs is the involvement of professional enablers who often operate at the intersection of clients and financial systems, giving them the ability to either prevent or facilitate illicit transactions.

Uganda's 2024 "Money Laundering and Terrorism Financing Risk Assessment on Tax Crimes and Proceeds" report reiterated that lawyers, accountants, real estate agents, trust and company service providers (TCSPs), and dealers in precious metals/stones are designated non-financial businesses and professions (DNFBPs) at high risk of misuse in money-laundering schemes.³¹

The report further drew particular attention to the real estate sector, which is characterised by cash-based fraud, a lot of opaqueness in ownership, and weak disclosure mechanisms, making it an ideal conduit for laundering illicit funds.³² This finding mirrored regional and global assessments, which have arrived at the same conclusion, identifying such actors as prone and even complicit in money laundering and illicit financial flows. It further illustrated broader regulatory and systemic weaknesses across East African countries, reinforcing the need to increase and fortify the existing safeguards and amend different laws to enhance the legal framework responsible for regulating professional enablers of money laundering and illicit financial flows.³³

Additionally, the report listed tax evasion as one of the top predicate offences fuelling money laundering in Uganda, second only to corruption.³⁴ In Uganda, the vehicles of laundering tied to tax evasion include trade-based money laundering techniques such as smuggling, under-invoicing, and false declarations, many of which are facilitated by professional intermediaries.³⁵ The report further identifies several gaps prone to exploitation, including real estate transactions executed in cash without adequate source-of-funds verification, exploitation of legal professional privilege to obfuscate suspicious activity, and accountants providing falsified audits to mask criminal proceeds.³⁶ In addition,

²⁸ https://www.ensafrica.com/uploads/newsarticles/0_uganda%20aml%20cft%20landscape%202014%202021%20pitfalls%20and%20successes.pdf?

²⁹ <https://ugandacf.org/projects/disrupting-illegal-wildlife-trade-through-financial-investigation/>

³⁰ <https://www.monitor.co.ug/uganda/business/prosper/the-lost-battle-over-illicit-financial-flows-4439562>

³¹ Financial Intelligence Authority, 'Suspicious Transactions Reports' (December 2024) <https://www.fia.go.ug/suspicious-transactions-reports> accessed 15 August 2025.

³² Ibid

³³ Ibid

³⁴ Agaba M, 'Report Lists Tax Evasion, Corruption as Biggest Source of Illicit Funds in Uganda' (Kikubo Lane, 24 October 2024) <https://kikubolane.com/2024/10/24/report-lists-tax-evasion-corruption-as-biggest-source-of-illicit-funds-in-uganda/> accessed 15 August 2025.

³⁵ 'Uganda Highlights TBML as a Significant Tool for Tax Evaders Association of Trade Finance Compliance Professionals' (Association of Trade Finance Compliance Professionals, 6 December 2024) <https://atfc.com/2024/11/27/uganda-highlights-tbml-as-a-significant-tool-for-tax-evaders/> accessed 15 August 2025.

³⁶ Ibid

TCSPs are singled out for constructing complex ownership structures that obscure beneficial owners, thus complicating tracking and enforcement.³⁷

The mining and extractives sector also continues to be a vulnerable sector in Uganda because the mining industry, especially artisanal and small-scale gold mining (ASGM), is characterised by informality, weak regulatory oversight, and limited traceability mechanisms.³⁸ This creates an environment ripe for illicit activities with professionals like lawyers and accountants, facilitating cross-border smuggling, under-invoicing, and contract manipulation.

Additionally, in Uganda, professionals such as accountants, auditors, lawyers, and company service providers often assist in establishing shell companies, creating complex corporate structures, and providing services that obscure the true ownership of assets.³⁹ They exploit regulatory loopholes and a lack of enforcement to facilitate money laundering, tax evasion, and the illicit export of gold.⁴⁰ For instance, the Ugandan laws providing for private companies and limited liability structures can be exploited since lawyers and TCSPs can register companies that exist only on paper, creating layers that obscure the beneficial ownership of assets.

This was the case in the *EUTAW shell company scandal*.⁴¹ In November 2013, EUTAW Construction Company Inc., purportedly a subsidiary of a U.S.-based firm, secured a UGX 165 billion (approximately \$63.5 million) contract to upgrade the Mukono-Kyetume-Katosi-Nyenga road. Subsequently, EUTAW subcontracted the work to Chongqing International Construction Corporation (CICO), a Chinese company. However, investigations revealed that the Ugandan EUTAW entity was a shell company with no genuine operations, and its bid documents, including the insurance bond, were fraudulent. The U.S. parent company disclaimed any association with the Ugandan firm, leading to the cancellation of the contract.

The scandal implicated several high-ranking officials. Former Minister of Works and Transport, Eng. Abraham Byandala, directed Uganda National Roads Authority (UNRA) to release UGX 24.7 billion to EUTAW despite the company's lack of capacity and the absence of a valid performance guarantee. UNRA officials, including the acting executive director, Eng. Berunado Ssebugga Kimeze, were charged with abuse of office, causing financial loss, and disobeying lawful orders. Moreover, businessman Apolo Senkeeto, who falsely claimed to be EUTAW's local representative, faced charges of obtaining money by false pretence and conspiracy to defraud the government.

Further, a report by Transparency International discusses how enablers, including accountants, auditors, and lawyers, facilitate IFFs by providing services that enable corruption and money laundering.⁴² For instance, lawyers may draft ownership agreements or contracts that hide the identities of beneficial owners, while accountants and auditors may manipulate financial statements to underreport revenues or overstate costs, masking illicit profits. TCSPs can provide nominee directors or shareholders to further conceal the parties behind the transactions.⁴³

³⁷ Financial Intelligence Authority, 'Suspicious Transactions Reports' (December 2024) <https://www.fia.go.ug/suspicious-transactions-reports> accessed 15 August 2025.

³⁸ <https://www.acode-u.org/uploadedFiles/Research-Report-Ugandas-Mining-Legal-Regime-January2025.pdf>

³⁹ https://gfintegrity.org/wp-content/uploads/2018/10/Uganda-Report-2018_12.20.18.pdf

⁴⁰ <https://www.transparency.org/en/news/how-enablers-facilitate-illicit-financial-flows-from-africa?>

⁴¹ <https://gfintegrity.org/wp-content/uploads/2022/04/BO-Case-Studies-Uganda-Final-draft-1.pdf?>

⁴² <https://www.transparency.org/en/news/how-enablers-facilitate-illicit-financial-flows-from-africa?>

⁴³ https://knowledgehub.transparency.org/assets/uploads/kproducts/Professional-enablers-of-illicit-financial-flows-and-high-risk-services-and-jurisdictions_U4-Reviewed_PR.pdf?

A notable example would be a case involving a medium-sized audit firm in Kampala. It highlights the significant role professional enablers play in facilitating illicit financial flows (IFFs) through tax evasion schemes. The Uganda Revenue Authority (URA) uncovered that this audit firm had manipulated financial records for multiple businesses, including understating gross receipts and inflating supplier invoices. These actions resulted in substantial tax evasion, undermining the integrity of Uganda's tax system. The firm's involvement underscores the critical need for stringent oversight of professional enablers to combat IFFs effectively.⁴⁴

As a result of the challenges posed by professional enablers and by virtue of its obligations as a member of ESAAMLG and FATF, Uganda's legal framework has tried to implement mitigating measures. Firstly, it has designated DNFBPs as covered entities under customer due diligence (CDD), Suspicious Transaction Reports (STR), and record-keeping obligations.⁴⁵ It has also established the Uganda Financial Intelligence Authority (FIA) as the lead supervisor, supported by bodies like the Uganda Law Council, URSB, and ICPAU.⁴⁶ A central reform in Uganda's AML/CFT framework has been the legal requirement to disclose beneficial ownership (BO) across companies, partnerships, and trusts.⁴⁷

Moreover, all legal persons are obliged to register their ultimate beneficial owners with the Uganda Registration Services Bureau (URSB), following the amendments to the Companies Act and the Anti-Money Laundering Act.⁴⁸ The Companies (Amendment) Act, 2022, introduced a comprehensive beneficial ownership (BO) register that posits that every legal entity must record beneficial ownership information (including name, national ID, shareholding) and submit.⁴⁹ This was seen as a landmark reform to increase corporate transparency and fight misuse of legal persons. This measure aligns with FATF Recommendation 24 and was designed to prevent the misuse of legal persons by criminals and their professional enablers.

Despite the comprehensive framework, Uganda still faces a challenge with IFF through professional enablers. While the legal framework appears comprehensive, implementation gaps remain significant. According to a study conducted by Transparency International, Uganda's performance on Beneficial Ownership (BO), whilst not alarming, is average as it garnered a score of 3.0 out of 5.0 (moderate), highlighting systemic weaknesses as one of the major challenges.⁵⁰ To overcome such challenges, Uganda might consider strengthening their IFF regulatory frameworks to mandate and enhance the investigative and enforcement capacity of oversight agencies.

⁴⁴ URA Cracks Down on Professional Enablers Fueling Tax ...Watchdog Uganda <https://www.watchdoguganda.com/news/ura-cracks-...>

⁴⁵ <https://www.fia.go.ug/sites/default/files/CDD%20Guidelines%20to%20DNFBPs.pdf?>

⁴⁶ https://www.esaamlg.org/reports/2ND-ROUND-MUTUAL-EVALUATION-REPORT-OF-THE-REPUBLIC-OF-UGANDA_1.pdf?

⁴⁷ <https://gfintegrity.org/wp-content/uploads/2025/07/BO-Factsheet-July2025.pdf?>

⁴⁸ https://bills.parliament.ug/uploads/3142Companies_%28Amendment%29_Act%2C_2022.pdf?

⁴⁹ Mugenyi O and de Bel K, 'Corporate Transparency: A Guide for Beneficial Ownership Laws in Uganda' (Gfintegrity, 2022) <https://gfintegrity.org/wp-content/uploads/2022/04/BO-Case-Studies-Uganda-Final-draft-1.pdf>

⁵⁰ Latiff L, 'The Implementation of the AUCPCC in East Africa: A Comparative Analysis of Kenya, Uganda, Tanzania, and Rwanda' (2025).

3 | OVERVIEW OF THE EXISTING LEGAL & INSTITUTIONAL FRAMEWORK & POLICIES COMBATING IFFS IN UGANDA

Uganda's policy, legal and institutional framework for combating illicit financial flows (IFFs) is designed to safeguard the integrity of the financial system and ensure accountability across both public and private sectors. It combines international instruments, legislation, regulatory oversight, and institutional mechanisms to detect, prevent, and prosecute financial crimes, including the misuse of legal entities and professional services. Central to this framework is the establishment of regulatory bodies that monitor compliance, investigate suspicious transactions, and coordinate with domestic and international partners. The framework also emphasises transparency, due diligence, and cooperation to address both domestic and cross-border illicit activities. Overall, it provides a structured approach to managing financial risks and enforcing accountability while aligning Uganda's efforts with global standards.

International & Regional Conventions

Uganda's laws exist; their enforcement is uneven, and regulatory coordination remains fragmented.

THE PROFESSIONAL ENABLER PERIMETER



Lawyers and notaries



Accountants and auditors



Real estate agents



Dealers in precious metals and stones



Trusts and company service providers



Casinos and gaming operators

Uganda, as a signatory to international conventions and treaties such as the UN Convention against Corruption (UNCAC)⁵¹ and the UN Convention against Transnational Organized Crime (UNTOC),⁵² strengthens its domestic legal and regulatory framework against illicit financial flows (IFFs). By signing these instruments, Uganda commits to implementing globally recognized standards on transparency, accountability, and financial integrity, including measures to prevent corruption, recover stolen assets, and combat organized crime. These treaties also obligate Uganda to cooperate with other countries in investigating and prosecuting cross-border crimes, sharing financial intelligence, and tracing illicitly transferred assets. Legally, this international commitment complements domestic laws like the Anti-Money Laundering Act and the Anti-Corruption Act, ensuring that local legislation aligns with global best practices. Furthermore, being a signatory provides Uganda with access to technical support, peer

⁵¹ United Nations. (2003). United Nations Convention against Corruption.

⁵² United Nations. (2000). United Nations Convention against Transnational Organized Crime and the Protocols Thereto.

reviews, and international monitoring mechanisms that enhance the enforcement of domestic laws and reduce opportunities for illicit financial flows.

Regionally, Uganda is a signatory to the African Union Convention on Preventing and Combating Corruption (AUCPCC).⁵³ This regional treaty strengthens Uganda's legal and regulatory framework against illicit financial flows by promoting transparency, accountability, and integrity in both public and private sectors, addressing offences such as bribery, illicit enrichment, money laundering, and diversion of public property. By aligning domestic anti-corruption strategies with continental standards, Uganda enhances its capacity to prevent IFFs, facilitates cooperation with other African nations, and benefits from peer reviews, technical assistance, and monitoring by the African Union Advisory Board on Corruption (AUABC), thereby reinforcing both national and regional efforts to combat corruption and related financial crimes.

Lastly, Uganda's membership in the Financial Action Task Force (FATF)-style regional body, the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), subjects the country to periodic mutual evaluations and requires it to implement FATF standards, including customer due diligence, suspicious transaction reporting, and beneficial ownership transparency. In addition, Uganda's participation in the Extractive Industries Transparency Initiative (EITI) obligates it to disclose information on extractive sector licensing, revenue flows, and beneficial ownership, thereby enhancing transparency among mineral dealers and companies operating in the sector.

National Legal Framework

The Anti-Money Laundering Act, Cap. 118

Uganda's Anti-Money Laundering Act (AMLA) provides a comprehensive legal framework aimed at preventing, detecting, and punishing money laundering while safeguarding the integrity of the financial system. The Act criminalises the conversion, concealment, acquisition, possession, or use of property derived from criminal conduct, including attempts and conspiracies, and designates money laundering as an extraditable offence to facilitate international cooperation. Central to its enforcement is the establishment of the **Financial Intelligence Authority (FIA)** and its Board, tasked with receiving, analysing, and disseminating financial intelligence. The FIA monitors compliance, investigates suspicious transactions, and collaborates with both domestic and foreign agencies to combat illicit financial activities. Through these measures, the Act aims to ensure accountability, transparency, and adherence to global standards in financial operations.

AMLA imposes duties on designated "accountable persons," which include financial institutions, insurers, real estate agents, dealers in precious metals and stones, casinos, and legal and accounting professionals. These obligations require the verification of client identities and beneficial ownership through customer due diligence, the maintenance of transaction records for prescribed periods, and the reporting of suspicious transactions to the FIA. The Act also empowers courts to issue restraining, seizure, and forfeiture orders over proceeds of crime, and provides mechanisms for restitution to victims. By incorporating these provisions, the law seeks to prevent the misuse of institutions and professions that could otherwise facilitate money laundering. This comprehensive approach ensures that both offenders and potential professional enablers are subject to legal scrutiny and accountability.

⁵³ African Union. (2003). African Union Convention on Preventing and Combating Corruption. African Union.

In addition to domestic enforcement, AMLA emphasises international cooperation, allowing Uganda to engage in regional and global anti-money laundering initiatives and comply with standards set by organisations such as the FATF and ESAAMLG. The Act includes provisions for public education on money laundering risks, protection of whistleblowers, and the designation of additional accountable persons in emerging sectors vulnerable to abuse. Violations attract severe criminal and civil penalties, including fines, imprisonment, and disqualification from holding certain professional positions. Ancillary provisions enable the Minister to expand coverage as new risks arise, ensuring the framework remains adaptive and robust. Overall, AMLA combines regulatory obligations, criminal sanctions, institutional oversight, and international collaboration to comprehensively address illicit financial flows in Uganda.

The Anti-Terrorism Act, Cap. 120

Uganda's Anti-Terrorism Act complements the Anti-Money Laundering Act by specifically targeting the financing of terrorism, addressing the flow of funds intended to support terrorist activities. While AMLA focuses on tracking and confiscating proceeds of criminal conduct, the Anti-Terrorism Act criminalises the collection, provision, or use of resources for terrorism, including indirect support through facilitators. This dual approach allows authorities to monitor both the origin and use of illicit funds, reducing the risk that criminal proceeds are diverted to harmful activities. The legislation also requires institutions to identify and report suspicious transactions that could relate to terrorism financing, strengthening preventative measures. By enabling coordination between domestic agencies and international partners, the two Acts together create a framework that enhances Uganda's capacity to detect, investigate, and disrupt illicit financial flows connected to terrorism.

The Anti-Corruption Act, Cap. 116

The Anti-Corruption Act, 2009, is a key law in Uganda's fight against illicit financial flows (IFFs) as it criminalises bribery, embezzlement, diversion of public funds, and abuse of office. It empowers institutions like the Inspectorate of Government, the DPP, and the Anti-Corruption Court to investigate and prosecute offenders, while imposing strict penalties such as imprisonment, fines, and confiscation of illicit assets. The Act also reinforces accountability by requiring transparency from public officials and linking with the Leadership Code Act to scrutinise unexplained wealth. Importantly, it complements the Anti-Money Laundering Act (2013) by making corruption a predicate offence for money laundering, enabling authorities to trace, freeze, and recover illicit proceeds. Overall, it strengthens Uganda's domestic governance framework while aligning with international standards like the UN Convention against Corruption (UNCAC).

The Leadership Code Act, Cap. 33

The Leadership Code Act reinforces Uganda's fight against illicit financial flows (IFFs) by setting ethical and accountability standards for leaders in public office. It requires leaders to declare their income, assets, and liabilities, enabling scrutiny of unexplained wealth and curbing the misuse of office for personal gain. The Act empowers the Inspectorate of Government (IG) to verify declarations, investigate breaches, and recommend sanctions such as dismissal, removal from office, or confiscation of illicitly acquired property. By promoting transparency and integrity, the Act acts as both a deterrent to corruption and a complementary tool to the Anti-Corruption Act and Anti-Money Laundering Act, which treat corruption and unexplained wealth as triggers for financial investigations. In this way, the Leadership Code Act strengthens Uganda's governance and accountability framework while contributing to efforts to close channels through which illicit funds are generated or concealed.

DNFBP-Specific Legal Framework

In Uganda, the conduct of the professionals is regulated within a comprehensive legal framework designed to prevent money laundering and terrorist financing. This framework establishes specific obligations for these designated professionals, which include reporting suspicious transactions, implementing customer due diligence measures, and maintaining proper records. Oversight and enforcement are primarily vested in the Financial Intelligence Authority and other relevant regulatory bodies, ensuring that these professionals operate in compliance with national and international standards. Collectively, the framework aims to safeguard the integrity of Uganda's financial and commercial sectors while promoting transparency, accountability, and adherence to anti-money laundering principles.

Regulatory framework overseeing lawyers

The Advocates Act, Cap. 295

The Advocates Act serves as the principal legal framework regulating the practice of law in Uganda. It establishes the Uganda Law Council as the primary authority responsible for overseeing the admission, discipline, and regulation of advocates. Under the Act, only individuals who have completed a Bachelor of Laws (LLB) degree and a Postgraduate Diploma in Legal Practice from the Law Development Centre are eligible for enrolment as advocates, ensuring that all practitioners meet the required educational standards. The Act mandates that practising advocates obtain an annual practising certificate issued by the Law Council, thereby maintaining accountability and professional oversight. It also establishes a Disciplinary Committee empowered to investigate complaints and allegations of professional misconduct, defining such misconduct as conduct that is disgraceful, dishonourable, or unbefitting of an advocate. Collectively, the Advocates Act provides a comprehensive legal framework to ensure the integrity, competence, and ethical conduct of legal practitioners in Uganda.

The Advocates (Professional Conduct) Regulations

The Advocates (Professional Conduct) Regulations, issued under the authority of the Advocates Act, establish the ethical and professional standards that guide the conduct of advocates in Uganda. These regulations outline the duties of advocates to their clients, the courts, and the legal profession, ensuring that legal practice is conducted with integrity and accountability. Key provisions include obligations regarding client confidentiality, prohibitions against conflicts of interest, and duties to avoid representing clients whose interests may be averse to those of former clients. The regulations also govern the acceptance of briefs, professional fees, and the prohibition of practices such as tendering false affidavits or entering champerty agreements. By setting clear ethical guidelines and standards, the Advocates Regulations reinforce the professional accountability of lawyers, promote public trust in the legal system, and complement the broader regulatory framework provided by the Advocates Act.

The Uganda Law Society Act, Cap. 276

The Uganda Law Society Act establishes the Uganda Law Society (ULS) as the professional association for advocates in Uganda and provides a framework for promoting legal professionalism and ethical conduct. The Act empowers the ULS to represent the interests of its members, provide continuous professional development and training, and foster adherence to ethical standards within the legal profession. It also enables the ULS to play a complementary role in disciplinary oversight, supporting the enforcement of professional conduct rules and assisting in handling complaints against advocates.

Through these functions, the Act ensures that the legal profession in Uganda operates with integrity, accountability, and competence, thereby enhancing public confidence in the administration of justice.

Regulatory framework overseeing trustees (under the Trustee Act)

The Trustees Act, Cap. 270

The Trustees Act in Uganda regulates the conduct of trustees by establishing clear duties, powers, and responsibilities in the management of trust property. Trustees are required to act in good faith and in the best interests of the beneficiaries, exercising prudence and accountability in administering trust assets. The Act specifies the powers trustees may exercise, including investing, selling, or leasing trust property, while ensuring that these actions align with the objectives of the trust. It allows for the delegation of certain functions but maintains the trustee's overall accountability for proper oversight. Trustees are prohibited from engaging in self-dealing or activities that create conflicts of interest, and the Act provides legal remedies to hold trustees liable for breaches of trust, including mismanagement or failure to comply with statutory obligations. By setting these standards, the Act ensures that trustees operate with integrity, transparency, and accountability, safeguarding the interests of beneficiaries and the effective administration of trusts.

Regulatory framework overseeing casinos (which also includes internet casinos).

The Lotteries and Gaming Act, Cap. 334

The Lotteries and Gaming Act regulates the conduct of casinos, including internet casinos, in Uganda by establishing the National Lotteries and Gaming Regulatory Board (NLGRB) as the supervisory authority. The Act requires all operators and premises to be licensed, mandates approval of gaming devices and software, and enforces operational standards to ensure transparency, accountability, and responsible gaming. It empowers the NLGRB to inspect establishments, investigate complaints, levy fines, seize unlicensed equipment, and close non-compliant operators. For online casinos, the same licensing, operational, and compliance requirements apply, ensuring that all gaming activities adhere to legal and ethical standards and that the interests of the public are protected.

Regulatory framework overseeing real estate agents.

The Land Act, Cap. 236

The Land Act does not directly regulate real estate agents as a profession; there is no licensing or professional body under it. Instead, it indirectly regulates them by strictly controlling the legality of the transactions they broker. In practice, this means an agent cannot operate outside the Land Act's provisions on tenure, registration, consent, and restrictions without exposing themselves (and their clients) to civil liability or even criminal charges.

The Contracts Act, Cap. 284

The Contracts Act, 2010, provides a legal basis for the relationships between real estate agents, their clients, and other parties involved in property transactions. It outlines the rights and obligations of agents, principals, and third parties, including provisions on remuneration, misconduct, and indemnity.

Regulatory framework overseeing dealers in precious metals and gems.

The Mining and Minerals Act, Cap. 159

The Mining and Minerals Act provides a comprehensive regulatory framework for dealers in precious metals and gemstones in Uganda. Under Section 140 of the Act, any individual or company that buys, sells, exports, or trades minerals must hold a valid mineral dealer's licence issued by the Minister of Energy and Mineral Development, specifying the type and quantity of minerals the dealer is authorised to handle.

Under the Act, dealers are required to purchase minerals only from licensed miners or recognised sources and must maintain detailed records of the origin of all minerals traded, ensuring that minerals are not sourced illegally or unethically. They are also obligated to submit periodic reports to the Uganda Minerals Directorate or the Mining Cadastre Office, detailing quantities bought and sold, sources of minerals, and buyers or exporters, with noncompliance attracting fines, licence revocation, or criminal liability.

Moreover, Uganda's participation in the Extractive Industries Transparency Initiative (EITI) strengthens the sector's transparency. As an EITI-implementing country since 2020, Uganda has used EITI processes to push for public disclosure of key information in the mining sector, including beneficial ownership (BO) of companies.⁵⁴ Under the Mining and Minerals Act, mining companies must disclose their beneficial owners as part of their license applications and identify politically exposed persons (PEPs).⁵⁵ While Uganda now collects BO information via the Uganda Registration Services Bureau (URSB), public access remains limited. This lack of full public disclosure is also highlighted in EITI validation reports.

Further, by linking the Mining Act obligations to BO disclosure, the regulatory framework helps ensure that dealers cannot hide behind opaque ownership structures (e.g., shell companies) when trading minerals. This enhances traceability and helps guard against misuse of the minerals trade for money laundering or other illicit flows.

Additionally, dealers are bound indirectly to environmental and ethical standards, ensuring that minerals entering trade channels comply with regulations protecting ecosystems and communities. The Act integrates these obligations with the Anti-Money Laundering Act, 2013, designating dealers as accountable persons who must conduct Know Your Customer (KYC) checks and report suspicious transactions to the Financial Intelligence Authority, thereby mitigating illicit financial flows.

Collectively, these provisions create a regulated mineral supply chain that imposes substantial compliance responsibilities on dealers, ensuring transparency, traceability, and legality in the trade of precious metals and gemstones.

Regulatory framework overseeing trust and company service providers

The Anti-Money Laundering Act, Cap. 118

In Uganda, the conduct of Trust and Company Service Providers (TCSPs) is primarily regulated under the Anti-Money Laundering Act, 2013. The Act defines TCSPs as businesses providing services to third

⁵⁴ Uganda | EITI as accessed on 14/11/2025

⁵⁵ EITI International Secretariat. (2024, April 9). Validation of Uganda: Final assessment of progress in implementing the EITI Standard.

parties, including acting as formation agents of legal persons, arranging for others to serve as directors, secretaries, or partners, providing registered or administrative addresses, acting as trustees of express trusts, and acting as nominee shareholders. These activities are explicitly listed in the Act's Schedule, setting the boundaries within which TCSPs must operate.

The Act further requires TCSPs to implement customer due diligence measures, report suspicious transactions, maintain transaction records, and cooperate with regulatory authorities on anti-money laundering matters. Non-compliance can result in penalties or revocation of licenses. Overall, the Anti-Money Laundering Act, 2013 establishes the legal framework ensuring TCSPs conduct their activities in a manner that mitigates risks associated with money laundering and related financial crimes.

Regulatory framework overseeing brokers, dealers or investment advisors

The Capital Markets Authority Act, Cap. 84

In Uganda, the regulation of brokers, dealers, and investment advisors is primarily governed by the Capital Markets Authority Act, which establishes the Capital Markets Authority (CMA) as the central regulatory body overseeing the securities market. The Act requires that no person may carry on the business of dealing in securities or act as an investment adviser without a licence issued by the CMA. It also empowers the CMA to inspect the books, accounts, documents, and transactions of licensed entities, grant or renew licences, impose conditions or restrictions, and revoke licences in cases of non-compliance or misconduct.

To operationalise these provisions, subsidiary regulations have been enacted. The Capital Markets (Licensing) Regulations, 2025 outline the procedures and requirements for obtaining licences to operate as brokers, dealers, or investment advisors, including submission of forms, fees, and supporting documentation. The Capital Markets (Conduct of Business) Regulations, 2025 set standards of conduct for licensed persons, addressing client dealings, conflict-of-interest management, and record-keeping. Together, these regulations ensure that brokers, dealers, and investment advisors operate transparently, fairly, and in the best interests of investors.

Regulatory framework overseeing financial institutions

The Financial Institutions Act, Cap. 57

In Uganda, the regulation of financial institutions is primarily governed by the Financial Institutions Act, which empowers the Bank of Uganda to oversee, control, and discipline financial entities operating within the country. The Act provides a legal framework for the establishment, licensing, and operation of commercial banks, microfinance institutions, and credit institutions, outlining governance structures, capital requirements, and operational conduct to ensure prudent and sound operations. It also regulates mergers, acquisitions, and the transfer of assets and liabilities among financial institutions, requiring prior approval from the Bank of Uganda to protect depositors and maintain financial stability.

To complement the Act, subsidiary regulations have been enacted to address specific operational aspects. The Financial Institutions (Liquidity) Regulations set requirements for maintaining sufficient liquidity to meet short-term obligations. The Financial Institutions (Agent Banking) (Amendment) Regulations provide a framework for authorised agent banking services to enhance financial inclusion. Additionally, the Financial Institutions (Credit Referencing Bureau) Regulations govern the operation of credit reference bureaus, promoting responsible lending and borrowing. Collectively, these regulations

ensure that financial institutions in Uganda operate within a structured and regulated environment that fosters financial stability, consumer protection, and confidence in the financial system.

Regulatory framework overseeing insurance companies

The Insurance Act, Cap. 213

The regulation of insurance companies is primarily governed by the Insurance Act, which establishes the Insurance Regulatory Authority (IRA) as the central supervisory body responsible for licensing, monitoring compliance, and enforcing governance standards in the insurance sector. The IRA ensures that insurers, reinsurers, and Health Membership Organisations (HMOs) operate within a structured legal framework that promotes financial stability, transparency, and accountability. Under the Act, the IRA has the authority to issue licenses, investigate contraventions, and take corrective measures against non-compliant entities, thereby maintaining integrity and stability within the industry.

To operationalise these provisions, several subsidiary regulations have been enacted. The Insurance (Licensing and Governance) Regulations prescribe requirements for licensing, board composition, internal controls, and reporting obligations. The Insurance (Reinsurance) Regulations govern reinsurance arrangements, including approval processes, risk management, and reporting standards. The Insurance (Mobile Insurance) Regulations regulate the distribution of insurance products through digital platforms, setting standards for product approval, disclosure, premium collection, and consumer protection. Collectively, these regulations create a comprehensive framework that governs licensing, governance, operational conduct, and distribution practices, ensuring that Uganda's insurance sector operates efficiently and protects policyholders.

Institutional Framework

Uganda's institutional framework comprises regulatory, enforcement, and administrative bodies responsible for implementing AML/CFT obligations, supervising DNFBPs, and ensuring transparency. They are as stipulated below:

The Financial Intelligence Authority (FIA)

The Financial Intelligence Authority (FIA) is Uganda's central agency for combating illicit financial flows (IFFs), established under the Anti-Money Laundering Act, Cap. 118. Operating under the Ministry of Finance, Planning and Economic Development, the FIA serves as the national centre for receiving, analysing, and disseminating financial intelligence to competent authorities.

The FIA's core mandate includes enforcing compliance with anti-money laundering (AML) laws, enhancing the identification of proceeds of crime, increasing public awareness on money laundering and terrorism financing, and facilitating international cooperation in these matters. The authority is responsible for collecting and analysing Suspicious Transaction Reports (STRs), Large Cash Transaction Reports (LCTRs), and reports on cross-border movements of cash and bearer negotiable instruments. It disseminates financial intelligence to law enforcement agencies for further investigation and prosecution.

The authority collaborates with various stakeholders, including law enforcement agencies, the Uganda Revenue Authority, and international bodies such as the Egmont Group of Financial Intelligence Units, to strengthen the country's capacity to combat IFFs. Through these collaborations, the FIA aims to

improve the effectiveness of Uganda's anti-money laundering regime and address the sources, transfer methods, and motivations of IFFs.

The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the Financial Action Task Force (FATF)⁵⁶

Uganda's commitment to international standards is evident in its membership in the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and cooperation with the Financial Action Task Force (FATF). Uganda's engagement with regional and international bodies such as the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the Financial Action Task Force (FATF) serves as a crucial legal and regulatory instrument in its fight against illicit financial flows (IFFs). Membership in these organisations obliges Uganda to adopt and implement globally recognised standards for anti-money laundering (AML) and countering the financing of terrorism (CFT), including comprehensive customer due diligence, suspicious transaction reporting, and beneficial ownership transparency.

These affiliations also provide mechanisms for peer reviews and mutual evaluations, which assess Uganda's compliance with international norms and identify gaps in legislation or enforcement. Legally, this means domestic laws such as the Anti-Money Laundering Act (AMLA) and related regulations are shaped not only by national priorities but also by internationally endorsed principles, ensuring consistency with global AML/CFT frameworks. Furthermore, cooperation with these bodies enables Uganda to participate in cross-border investigations and information sharing, enhancing the legal and operational capacity to trace, freeze, and recover assets involved in illicit financial activities, thereby reinforcing the integrity of the country's financial system.

The Uganda Registration Services Bureau (URSB)⁵⁷

The legal framework is further supported by the Uganda Registration Services Bureau (URSB). The role of the Uganda Registration Services Bureau (URSB) in enhancing beneficial ownership transparency is a critical pillar of the country's legal framework against illicit financial flows (IFFs). By requiring the disclosure of the natural persons who ultimately own or control companies, partnerships, and other legal entities, URSB closes loopholes that criminals often exploit to hide their identities behind layers of corporate structures.

This legal requirement reduces the risk of shell companies being used for money laundering, terrorism financing, tax evasion, and other illicit activities. In practice, it obliges companies to maintain and submit accurate records of their beneficial owners, which can then be accessed by regulators, law enforcement agencies, and, where appropriate, the public. These measures not only strengthen Uganda's compliance with international standards such as those promoted by the Financial Action Task Force (FATF) and ESAAMLG, but they also enhance domestic enforcement by providing investigators with clear lines of accountability. In this way, URSB's reforms significantly reinforce the AML/CFT regime, ensuring that corporate vehicles in Uganda cannot be easily misused for illicit financial activities.

⁵⁶ Financial Action Task Force. (2022). International standards on combating money laundering and the financing of terrorism & proliferation: The FATF Recommendations & Eastern and Southern Africa Anti-Money Laundering Group. (2020). Mutual evaluation report: Uganda. <https://www.esaamlg.org/reports/5th%20FUR%20Uganda-%20December%202020%20.pdf>

⁵⁷ Uganda Registration Services Bureau Act 2000, Chapter 210, Laws of Uganda

4 | CASE STUDIES ILLUSTRATING THE INVOLVEMENT OF PROFESSIONAL ENABLERS.

In *Uganda v. Serwamba David Musoke & Others (2015)*,⁵⁸ the accused, Serwamba David Musoke, was the Operations Manager at Equity Bank's Oasis Mall branch in Kampala. Together with fellow staff members and external accomplices, he orchestrated the fraudulent withdrawal of USD 1.45 million from client accounts over a two-day period in March 2015. The scheme involved the use of impersonators, forged withdrawal slips, and the deliberate bypassing of biometric verification procedures meant to secure high-value transactions.

Further, evidence showed that Musoke personally authorised the transactions without proper due diligence, thereby facilitating the fraudulent payouts. CCTV footage and witness testimony confirmed the involvement of multiple conspirators, including lawyers and other professionals who helped in laundering the illicit proceeds through land purchases, luxury vehicles, and business fronts. A viral video circulating on WhatsApp, in which some suspects were seen flaunting stacks of cash, further incriminated the accused. Following investigations by the Financial Intelligence Authority (FIA), the Inspectorate of Government, and Uganda Police, assets—including land titles, vehicles, and cash—were traced and partially recovered from Musoke and his associates.

RECURRING MONEY LAUNDERING TYPOLOGIES



Opaque corporate and trust structures



Real estate and high-value property



Gold, precious metals and stones



Trade misinvoicing and false documentation



Virtual assets and cross-border transfers

The court found Musoke and his co-accused guilty on multiple counts, including embezzlement, conspiracy to defraud, forgery, money laundering, and causing financial loss. The court determined that Musoke had abused his senior position at Equity Bank by deliberately overriding internal controls, facilitating impersonation, and failing to uphold professional fiduciary obligations. It ruled that the accused not only stole client funds but also laundered the proceeds by purchasing properties and other assets in their names and through third parties. As a result, the defendants were sentenced to prison terms ranging from 5 to 12 years, and the court ordered the forfeiture of assets acquired through the fraudulent scheme, as well as compensation to Equity Bank. The judgment was highly significant as it marked Uganda's first successful conviction for money laundering under the 2013 Anti-Money Laundering Act.

Further, in the case of *Uganda Revenue Authority v Balondemu*,⁵⁹ David Balondemu, operating through his law firm *Balondemu & Company Advocates*, managed a client trust account into which substantial

⁵⁸ [2015] UGHACD 16

⁵⁹ [2024] UGCommC 256

funds were deposited and later transferred to various beneficiaries. In August 2020, the Uganda Revenue Authority (URA) summoned him to a meeting over concerns that these transactions bore indicators of money laundering. Balondemu, represented by counsel, was initially reluctant to disclose full client details, citing confidentiality obligations. Over the following months, URA issued a series of formal requests for information and supporting documentation. On 4 September 2020, URA specifically asked about payments made to *Trimecke Group Ltd*, and by November had formally opened an investigation.

Balondemu submitted several written explanations and provided scanned documents, but URA repeatedly found the disclosures inadequate. Between December 2020 and March 2021, URA pressed for original documents and additional contact details of the clients involved. Although Balondemu eventually furnished some information, URA maintained that compliance remained insufficient. Consequently, on 9 April 2021, URA declared the firm non-compliant, imposed a penalty of UGX 20 million, and raised an income tax assessment of UGX 665,738,205. The matter proceeded to the Tax Appeals Tribunal to determine whether the assessment and penalties were properly issued in light of the lawyer's partial disclosures and the tension between professional confidentiality and tax compliance obligations.

The main issues for determination were whether the applicant is liable to pay the income tax assessed. The Tribunal dismissed Balondemu's application and upheld both the assessment and penalty issued by URA. It held that income is taxable regardless of its source, whether lawful or unlawful, and that characterising funds as "client money" does not exempt them from the reach of the Income Tax Act. Once URA issued its assessment, the burden of proof shifted to the applicant to demonstrate, with credible records, that the transactions were not taxable; his reliance on scanned documents and incomplete disclosures fell short of this standard. The Tribunal further emphasised that an advocate's duty of confidentiality cannot override statutory obligations to furnish information to the tax authority. On this basis, URA was found to have acted lawfully in declaring Balondemu non-compliant and in imposing the statutory penalty.

Another example is the case of *Uganda v Kamya Valentino & 3 Others*,⁶⁰ where the accused, Valentino Kamya, was employed as an accountant at the Embassy of Sweden in Uganda, where he held responsibility for managing the mission's financial accounts. Between 2016 and 2019, he systematically diverted funds from the embassy's accounts, embezzling approximately UGX 8.4 billion. To disguise the origin of the money, Kamya transferred substantial amounts into bank accounts controlled by his wife and father-in-law and further used the funds to purchase prime real estate and high-end vehicles. In order to distance himself from the illicit proceeds, he registered a sham company in which his father-in-law appeared as a shareholder and placed several assets under his wife's name, thereby concealing his beneficial ownership. This layering of funds and use of proxies fitted the classic profile of money laundering and illicit financial flow techniques. These actions constituted classic money laundering techniques of placement, layering, and integration.

Upon investigations by the Financial Intelligence Authority (FIA), the suspicious transactions were traced, and bank accounts were frozen to preserve the assets. The prosecution charged Kamya and his co-conspirators with multiple counts of money laundering and concealment of illicit proceeds. The court found Valentino Kamya guilty of seven counts of money laundering under the Anti-Money Laundering Act, having admitted to fraudulently diverting UGX 8.4 billion from the Swedish Embassy and

⁶⁰ [2016] UGHCCRD 26.

concealing the proceeds through nominee accounts, front companies, and property acquisitions. By accepting a plea bargain, Kamywa was sentenced to three years' imprisonment and ordered to compensate the Swedish Embassy for the misappropriated funds, with restitution to be made from the sale of the restrained assets. His wife and father-in-law were also convicted of money laundering for their roles in facilitating the concealment and were subjected to corresponding penalties.

Moreover, the **Golden Laundromat scandal**,⁶¹ involving African Gold Refinery (AGR) and its owner, Alain Goetz, illustrates significant concerns regarding illicit financial flows and money laundering in Uganda. Founded in 2014, AGR is one of East Africa's largest gold refineries, processing substantial quantities of gold, including imports from conflict-affected regions. Goetz controls AGR through an offshore holding company in the Seychelles, allowing him to maintain near-total ownership. The refinery and Goetz have faced multiple allegations: in Belgium, Goetz and his brother were convicted of money laundering and fraud for facilitating anonymous gold sales that enabled black-market trade, receiving suspended jail terms; in 2022, the U.S. Department of the Treasury sanctioned Goetz and AGR for sourcing gold from areas in the Democratic Republic of Congo controlled by armed groups, violating international sanctions.

AGR's controversial gold imports, such as the 2019 shipment of 7.4 tons from Venezuela, raised further concerns about circumventing international rules. These developments highlight regulatory gaps in Uganda's oversight of the gold trade, expose risks of reputational and economic damage to the country, and underscore the potential for illicit financial flows through the sector. AGR has consistently denied wrongdoing, maintaining that it complies with applicable laws and international standards, and has taken legal action against reports it considers defamatory. Overall, the AGR situation emphasises the challenges in regulating high-value commodity trades to prevent abuse for money laundering and illicit enrichment.

Additionally, **the Crane Bank Scandal**⁶² represents a significant case of illicit financial flows (IFFs) within the banking sector. In October 2016, Crane Bank, formerly Uganda's fourth-largest bank, was placed under statutory management by the Bank of Uganda (BoU) due to undercapitalization and regulatory breaches, and in January 2017, its assets and liabilities were sold to DFCU Bank for UGX 200 billion (approximately \$52.8 million). A forensic audit conducted by PricewaterhouseCoopers (PwC) revealed extensive irregularities, including the misrepresentation of financial statements to conceal the bank's true financial position, concealment of shareholder identities, improper diversion of funds suggesting potential embezzlement, and insider transactions involving preferential lending and deals unavailable to the public.

These findings prompted regulatory intervention and the eventual sale of the bank, though the process was contested by the bank's former owner, Sudhir Ruparelia, and his company, Meera Investments, who alleged non-transparency and unfair exclusion. In 2022, Uganda's Supreme Court ruled in favour of Ruparelia, ordering BoU to return the bank's assets and pay legal costs. The scandal has drawn international attention, with UK courts admitting the PwC forensic report as evidence, underscoring severe mismanagement and highlighting the critical need for robust regulatory oversight, transparency, and accountability in preventing illicit financial flows in Uganda's financial sector.

⁶¹ https://greydynamics.com/ugandan-gold-mineral-extraction-could-fuel-criminality/?utm_ & https://home.treasury.gov/news/press-releases/jy0664?utm_

⁶² <https://www.africa-press.net/uganda/all-news/dfcu-bank-wins-key-ruling-in-crane-bank-case-in-uk-court?>

Further, the **Bank of Uganda Digital Payment System Heist**⁶³ of 2025 stands as a significant case of illicit financial flows (IFFs) within Uganda's financial sector. In February 2025, nine senior officials from the Ministry of Finance were arrested and charged in connection with the theft of approximately UGX 53 billion (USD 14 million) from the Bank of Uganda. The funds were misappropriated through the government's Integrated Financial Management System (IFMS), a digital platform used for processing payments. Investigations revealed that officials with high-level clearance manipulated the system to redirect debt repayment funds intended for international creditors to private bank accounts in Japan and London. Specifically, a payment of USD 6.134 million (UGX 22.3 billion) meant for the World Bank's International Development Association was transferred to a Tokyo-based company, while USD 8.596 million (UGX 31.2 billion) intended for the African Development Bank was sent to a London-based company.

The arrested individuals included the Accountant General, the acting director of Treasury Services and Asset Management, senior accountants, and IT officers. They faced charges such as corruption, abuse of office, money laundering, and electronic fraud. The Anti-Corruption Court granted bail to six of the officials, while proceedings continued. The Ministry of Finance has since initiated reforms to strengthen its IT systems, including implementing two-factor authentication and enhancing oversight protocols to prevent future incidents. This scandal underscores the critical need for robust cybersecurity measures and stringent internal controls within government financial systems to safeguard public funds.



⁶³ https://www.monitor.co.ug/uganda/news/national/nine-finance-officials-held-over-shs50b-bou-digital-heist-4915162?utm_&https://www.watchdoguganda.com/news/20170804/24415/sudhir-finally-reveals-what-led-to-crane-bank-collapse.html?utm_source=chatgpt.com

5 | INITIATIVES TO REGULATE PROFESSIONAL ENABLERS.

Specific initiatives undertaken by regulatory bodies and governmental agencies

1. Strengthening Legal and Regulatory Frameworks

Uganda has made significant strides in enhancing its AML/CFT regulations. In January 2023, Uganda enacted the Anti-Money Laundering (Amendment) Regulations, 2023 (Statutory Instrument 2 of 2023), marking a significant step in the country's efforts to combat illicit financial flows (IFFs). These regulations introduced stringent compliance requirements for accountable persons, entities, and professionals obligated to adhere to anti-money laundering (AML) and combating the financing of terrorism (CFT) measures. Accountable persons include financial institutions, real estate agents, accountants, lawyers, casinos, and dealers in precious metals and gems, among others.⁶⁴

A key feature of the 2023 amendments is the enhancement of penalties for non-compliance. For corporate entities, fines can reach up to 12,500 currency points (approximately UGX 250 million), while individuals face fines up to 5,000 currency points (about UGX 100 million). In cases of severe violations, criminal sanctions may be imposed, including imprisonment for up to 10 years.⁶⁵ The regulations also mandate that accountable persons establish and maintain robust internal controls, conduct regular risk assessments, and implement customer due diligence procedures.⁶⁶

These measures are designed to detect and prevent money laundering and terrorist financing activities. Failure to comply with these obligations can result in administrative sanctions, such as written directives to rectify non-compliance, and, in extreme cases, criminal prosecution.⁶⁷ Furthermore, the Financial Intelligence Authority (FIA) has been granted enhanced powers to oversee compliance, including the authority to issue directives and impose sanctions on non-compliant entities. The FIA also conducts awareness programs and provides guidance to accountable persons to ensure adherence to the regulations.⁶⁸

Additionally, the amendments to the Companies Act introduced significant reforms to Uganda's corporate governance framework, aiming to enhance transparency and accountability in company operations. One of the key provisions of this amendment was the introduction of mandatory compliance with a recognised code of corporate governance for private companies.⁶⁹ This requirement is designed to ensure that companies adhere to best practices in governance, thereby reducing opportunities for misconduct and illicit activities. By mandating adherence to established governance codes, the amendment seeks to promote ethical business practices and deter behaviours that could facilitate illicit financial flows (IFFs).

⁶⁴https://www.fia.go.ug/sites/default/files/Anti-Money%20Laundering%20%28Amendment%29%20Regulations%2C%202023.pdf?utm_source=chatgpt.com

⁶⁵ Ibid

⁶⁶ Ibid

⁶⁷ Ibid

⁶⁸ Ibid

⁶⁹ https://bills.parliament.ug/uploads/3142Companies_%28Amendment%29_Act%2C_2022.pdf?

The amendment also addressed the issue of beneficial ownership transparency. It introduced provisions requiring companies to disclose information about their beneficial owners, individuals who ultimately own or control the company.⁷⁰ This move aims to prevent the concealment of illicit financial activities behind complex corporate structures, a common tactic used in IFFs. By enhancing transparency in ownership structures, the amendment facilitates the identification of individuals responsible for illicit financial activities, thereby aiding in the prevention and detection of IFFs.

Furthermore, the amendment streamlined company registration and management procedures, making it more difficult for companies to operate without proper oversight.⁷¹ These procedural enhancements are intended to reduce the avenues through which professional enablers, such as accountants, auditors, and lawyers, might facilitate IFFs. By tightening regulatory processes and increasing scrutiny, the amendment aims to create a more robust framework for detecting and preventing illicit financial activities within the corporate sector.

2. Targeted Crackdowns on Professional Enablers

The Uganda Revenue Authority (URA) has intensified efforts to identify and prosecute professional enablers involved in facilitating tax evasion and other illicit activities. In 2025, the authority conducted a significant crackdown, targeting accountants, auditors, lawyers, and tax consultants who exploit their specialized knowledge to aid clients in evading taxes.⁷² This initiative aims to dismantle networks of professionals who assist in fraudulent activities, thereby strengthening the integrity of Uganda's financial system.

Additionally, the URA has phased out the role of "container leaders," intermediaries previously linked to widespread tax evasion.⁷³ These individuals exploited their position to facilitate under-declaration and misdeclaration of imports, leading to substantial revenue losses.⁷⁴ By eliminating this role, the URA aims to enhance transparency and accountability in customs clearance operations, ensuring that all importers adhere to the same standards and regulations. Furthermore, the URA has intensified collaboration with professional bodies such as the Institute of Certified Public Accountants of Uganda (ICPAU) and the Uganda Law Society (ULS).⁷⁵ This partnership includes disciplinary actions, such as license revocation, for professionals found complicit in fraudulent activities.⁷⁶ By holding professionals accountable, the URA seeks to deter unethical practices and promote a culture of compliance within the industry.

3. Enhancing Inter-Agency Collaboration

Uganda's approach to combating professional enablers of illicit financial flows (IFFs) recognizes that enforcement cannot rely solely on one institution. To this end, inter-agency collaboration has become a cornerstone of the strategy. The Uganda Revenue Authority (URA), which oversees tax compliance and investigates financial crimes, works closely with professional regulatory bodies, such as the Institute of Certified Public Accountants of Uganda (ICPAU) and the Uganda Law Society (ULS).⁷⁷ This partnership allows for a coordinated approach, where URA identifies suspicious or illicit financial activities, and the professional bodies take action against their members who facilitate these activities.

⁷⁰ Ibid

⁷¹ Ibid

⁷² <https://www.watchdoguganda.com/news/20250701/181159/ura-cracks-down-on-professional-enablers-fueling-tax-fraud-in-uganda.html?>

⁷³ [https://thestandard.co.ug/2025/06/18/massive-shakeup-ura-scraps-middlemen-in-cargo-clearance-to-curb-fraud/?](https://thestandard.co.ug/2025/06/18/massive-shakeup-ura-scraps-middlemen-in-cargo-clearance-to-curb-fraud/)

⁷⁴ <https://thestandard.co.ug/2025/06/18/massive-shakeup-ura-scraps-middlemen-in-cargo-clearance-to-curb-fraud/?>

⁷⁵ <https://www.watchdoguganda.com/news/20250701/181159/ura-cracks-down-on-professional-enablers-fueling-tax-fraud-in-uganda.html?>

⁷⁶ Ibid

⁷⁷ [https://scribe.co.ug/ura-cracks-down-on-professional-enablers-fueling-tax-fraud-in-uganda/?](https://scribe.co.ug/ura-cracks-down-on-professional-enablers-fueling-tax-fraud-in-uganda/)

Another key example is the Uganda AML/CFT/CPF Taskforce which serves as a coordinating platform that unites key government ministries, departments, agencies, and private sector actors engaged in combating money laundering, terrorist financing, and proliferation financing.⁷⁸ Its mandate includes offering timely and well-grounded policy advice to the Minister of Finance, Planning and Economic Development, as well as other stakeholders, on strategies for preventing these threats.⁷⁹ In addition, the Taskforce is tasked with strengthening Uganda's legal and institutional frameworks for AML/CFT, while also fostering cooperation, information sharing, and networking among the relevant institutions to ensure a more effective national response.⁸⁰

Through this collaboration, disciplinary measures have been strengthened. Professionals, whether accountants, auditors, lawyers, or tax consultants, who are found complicit in enabling IFFs face consequences such as license suspension, revocation, or fines, depending on the severity of the misconduct.⁸¹ For instance, if an auditor knowingly manipulates client records to hide tax liabilities or a lawyer creates corporate structures to conceal beneficial ownership, the regulatory bodies can revoke their professional licenses, thereby removing their ability to operate within the sector legally. This not only penalizes wrongdoing but also serves as a deterrent to others in similar positions.

Additionally, collaboration extends beyond disciplinary actions. The agencies share intelligence, conduct joint training programs, and issue guidelines for compliance, ensuring that professionals understand their obligations under the Anti-Money Laundering Act and related regulations.⁸² By combining investigative powers with professional oversight, Uganda creates a systemic check on the enabling role of professionals, reducing gaps that IFF perpetrators might exploit. This approach aligns with international best practices, including recommendations from the Financial Action Task Force (FATF), which emphasizes that professional enablers are critical points for preventing money laundering and terrorist financing.

4. Ongoing Legislative Reforms

Uganda has recognised that combating illicit financial flows (IFFs) is not only about enforcement but also about maintaining a robust legal and regulatory framework that keeps pace with evolving financial crimes.⁸³ In this context, the Financial Intelligence Authority (FIA) has undertaken a comprehensive review of the Anti-Money Laundering Act (AMLA), seeking to identify gaps and weaknesses that may allow professional enablers such as accountants, auditors, lawyers, real estate agents, and trust and company service providers to facilitate illicit activities.⁸⁴

The proposed amendments focus on several key areas. First, they aim to enhance the obligations of Designated Non-Financial Businesses and Professions (DNFBPs), ensuring that these professionals conduct rigorous customer due diligence, verify beneficial ownership, and report suspicious transactions to the FIA.⁸⁵ This directly targets the interface where enablers can assist clients in disguising illicit funds. By tightening these obligations, the law seeks to reduce opportunities for manipulation or exploitation of regulatory loopholes.

⁷⁸ <https://fia.go.ug/domestic-cooperation?>

⁷⁹ Ibid

⁸⁰ Ibid

⁸¹ Ibid

⁸² <https://fia.go.ug/training-dnfbps-implementation-targeted-financial-sanctions-proliferation-financing-and-terrorism?> & <https://fia.go.ug/training-dnfbps-implementation-targeted-financial-sanctions-proliferation-financing-and-terrorism?>

⁸³ <https://www.fia.go.ug/ugandas-president-calls-enhanced-vigilance-fighting-financial-crimes>

⁸⁴ https://www.fia.go.ug/sites/default/files/downloads/Guidance_notes_for_Legal_Professionals_June_2020.pdf

⁸⁵ <https://www.fia.go.ug/sites/default/files/CDD%20Guidelines%20to%20DNFBPs.pdf>

Second, the amendments are designed to align Uganda's AML/CFT framework with international standards, particularly the Financial Action Task Force (FATF) recommendations.⁸⁶ This alignment includes stricter provisions on record-keeping, reporting, and accountability for professionals whose services may otherwise be exploited for money laundering, tax evasion, or corruption.⁸⁷ Compliance with these standards is essential for Uganda to maintain credibility in international financial systems and to avoid being classified as a high-risk jurisdiction for money laundering.⁸⁸

Additionally, the FIA's review is intended to strengthen enforcement mechanisms, including penalties for non-compliance.⁸⁹ By increasing the severity of sanctions for professionals who fail to meet AML obligations, the amendments aim to create stronger deterrents against complicity in IFFs.⁹⁰ This may involve administrative fines, license suspensions, or even criminal prosecution for repeat or severe violations.⁹¹

Finally, these reforms are part of a broader legislative modernization effort. They complement amendments to the Companies Act, the Anti-Corruption Act, and other regulations that together create a comprehensive legal framework targeting both the perpetrators of IFFs and the professional enablers who facilitate them. By integrating these reforms, Uganda seeks to create a multi-layered defence against illicit financial activities, improving transparency, accountability, and compliance across both the financial and professional sectors.

⁸⁶ https://fia.go.ug/sites/default/files/downloads/FIA_strategic_plan_2020_21_2024_25.pdf

⁸⁷ <https://www.fia.go.ug/amlcft-sanctions-international-and-domestic-sanctions>

⁸⁸ https://www.fia.go.ug/sites/default/files/downloads/FIA_ANNUAL_REPORT_FY_2021_22.pdf

⁸⁹ https://fia.go.ug/sites/default/files/downloads/FIA_strategic_plan_2020_21_2024_25.pdf

⁹⁰ https://www.fia.go.ug/sites/default/files/downloads/Guidance_notes_for_Legal_Professionals_June_2020.pdf

⁹¹ <https://www.fia.go.ug/amlcft-sanctions-international-and-domestic-sanctions>

6 | CHALLENGES ENCOUNTERED IN REGULATING PROFESSIONAL ENABLERS

1. Implementation gaps

While the legal framework appears comprehensive, implementation gaps remain significant. According to a study conducted by Transparency International, Uganda's performance on BO, whilst not alarming, is average as it garnered a score of 3.0 out of 5.0 (moderate), highlighting systemic weaknesses as one of the major challenges.⁹² This is so as registries still depend heavily on self-declared information, there are limited mechanisms for verifying the accuracy of filings, and public access remains restricted. These shortcomings undermine the value of the register as an AML tool, as professionals can easily exploit false declarations or use nominee arrangements to shield their clients' identities. Further, structural obstacles such as fragmented databases and a lack of interoperability between the BO register, land registries, and tax databases reduce the effectiveness of cross-agency checks on suspicious activity, and consequently, the regulation of professional enablers.⁹³

Moreover, beneficial ownership reforms have been undermined by institutional and legal conflicts. For example, access-to-information provisions are sometimes in tension with Uganda's Official Secrets Act and related confidentiality laws, which limit the scope for civil society, journalists, or even professional regulators to interrogate the BO data. This restricts the broader accountability function that FATF and regional best practices encourage.⁹⁴

The case of *Smart Protus Magara & 138 Others v. Financial Intelligence Authority (FIA)*⁹⁵ highlights the implementation struggles Uganda faces in combating illicit financial flows (IFFs) facilitated by professional enablers. In 2017, the FIA received reports of suspicious transactions on accounts held by Smart Protus Magara and 138 others at Equity Bank and Diamond Trust Bank, triggering an investigation under Section 9 of the Anti-Money Laundering Act. The applicants challenged the FIA's actions, including the freezing of their accounts, arguing that the measures were unlawful and infringed on their rights. The Court ruled in favour of the applicants, finding that the FIA had not acted in accordance with the law and ordering the unfreezing of the accounts.

2. Exploitation of Regulatory Loopholes

Despite Uganda's comprehensive legal framework aimed at combating illicit financial flows (IFFs), significant regulatory loopholes persist, enabling professional enablers—such as accountants, lawyers, auditors, and real estate agents—to facilitate these illicit activities. These professionals often exploit gaps in the regulatory system to assist clients in structuring complex corporate entities, offshore accounts, or real estate transactions that obscure the true ownership and origin of funds. For instance, Uganda's National Risk Assessment has identified the real estate sector as posing the highest money laundering threat in the country, yet persistent loopholes and gaps in anti-money laundering standards

⁹² Latiff L, 'The Implementation of the AUCPCC in East Africa: A Comparative Analysis of Kenya, Uganda, Tanzania, and Rwanda' (2025).

⁹³ Ibid

⁹⁴ Ibid

⁹⁵ [2019] UGHCCD 52

involving real estate provide illicit actors with various options for laundering money through this sector.⁹⁶

While legal obligations under the Anti-Money Laundering Act (AMLA) mandate professionals to conduct customer due diligence and report suspicious transactions, enforcement remains inconsistent. A regulatory impact assessment conducted by the Financial Intelligence Authority (FIA) in July 2025 highlighted critical gaps in the AMLA, particularly in areas where Uganda remains either non-compliant or partially compliant with Financial Action Task Force (FATF) recommendations.⁹⁷ These deficiencies undermine the effectiveness of the AMLA, allowing enablers to operate with relative impunity. Moreover, the FATF's Mutual Evaluation Report has noted that Uganda's level of compliance with AML/CFT standards was very low, leading to the country's placement on the grey list in 2020.⁹⁸

3. Limited Capacity of Regulatory Bodies

Regulatory bodies in Uganda, particularly the Financial Intelligence Authority (FIA) and the Uganda Revenue Authority (URA), face significant structural and resource-related challenges in detecting and curbing illicit financial flows (IFFs).⁹⁹ Both institutions are mandated to monitor financial systems, enforce anti-money laundering laws, and investigate suspicious transactions. However, their capacity is constrained by limited financial resources, understaffing, and inadequate technological infrastructure.¹⁰⁰ Investigating IFFs requires specialised forensic accounting, data analytics, and cross-border financial intelligence skills, areas in which Uganda's regulators remain underdeveloped.¹⁰¹ As a result, many sophisticated schemes facilitated by professional enablers often go undetected or are detected too late.

This weakness is particularly problematic when dealing with lawyers, accountants, auditors, real estate agents, and trust and company service providers who possess technical knowledge of financial systems and exploit regulatory loopholes to shield illicit wealth. For example, accountants may use complex transfer pricing schemes, while lawyers might exploit confidentiality rules to hide beneficial ownership structures. Without adequate expertise, the FIA and URA struggle to unravel these schemes or to follow money trails that cross multiple jurisdictions.¹⁰²

Additionally, reports from the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG, 2022 Mutual Evaluation Report) noted that Uganda's supervisory bodies often lack the capacity to conduct targeted inspections of Designated Non-Financial Businesses and Professions (DNFBPs), the very sector where most professional enablers operate.¹⁰³ Similarly, the Global Financial Integrity (GFI, 2020) report highlighted that Uganda loses billions annually through trade misinvoicing and tax evasion, much of it facilitated by professionals who exploit weak oversight.¹⁰⁴ These gaps illustrate a dangerous asymmetry: while professional enablers are highly skilled and resourced, the regulators tasked with monitoring them are comparatively under-equipped, creating fertile ground for IFFs to thrive.

⁹⁶ <https://thesentry.org/reports/looted-funds/>

⁹⁷ <https://www.fia.go.ug/experts-conduct-regulatory-impact-assessment-anti-money-laundering-act?>

⁹⁸ <https://www.clari5.com/market-insights-uganda/>

⁹⁹ <https://gfintegrity.org/report/ugandas-mining-legal-regime-addressing-illicit-financial-flows-iffs-risks-and-revenue-loss-in-the-mineral-supply-chain/>

¹⁰⁰ <https://www.imf.org/en/Publications/high-level-summary-technical-assistance-reports/Issues/2024/09/27/Uganda-Strengthening-the-Anti-Money-Laundering-and-Combating-the-Financing-of-Terrorism-AML-555709?>

¹⁰¹ https://www.un.org/osaa/sites/www.un.org.osaa/files/intensifying_the_fight_against_corruption_and_money_laundering_0.pdf

¹⁰² https://www.un.org/osaa/sites/www.un.org.osaa/files/intensifying_the_fight_against_corruption_and_money_laundering_0.pdf

¹⁰³ https://www.esaamlg.org/reports/2ND-ROUND-MUTUAL-EVALUATION-REPORT-OF-THE-REPUBLIC-OF-UGANDA_1.pdf?

¹⁰⁴ <https://gfintegrity.org/wp-content/uploads/2020/03/GFI-Trade-IFF-Report-2020-Final.pdf>

4. Legal Protections and Privileges

Certain professional groups in Uganda, such as lawyers, accountants, auditors, and trust or company service providers, are granted legal protections to ensure ethical practice and maintain client confidentiality.¹⁰⁵ Lawyers benefit from the attorney-client privilege, while accountants and auditors are bound by professional confidentiality obligations. These safeguards are intended to foster trust, allowing professionals to provide candid advice and manage sensitive financial information without fear of unwarranted disclosure.

However, these protections can be exploited to facilitate illicit financial flows. Professional enablers may structure transactions, create complex corporate or trust arrangements, or manipulate financial records in ways that conceal the origin of funds or beneficial ownership.¹⁰⁶ By invoking legal privileges, they can limit regulatory access to crucial information, enabling money laundering, tax evasion, or corruption.¹⁰⁷ This misuse poses significant challenges for Uganda's Financial Intelligence Authority (FIA), Uganda Revenue Authority (URA), and other oversight bodies, highlighting the need for clear guidelines and robust enforcement to ensure that professional confidentiality does not become a tool for illicit activity.

5. Complex Corporate and Financial Structures

Professional enablers often assist in creating multi-layered corporate entities and complex financial arrangements that obscure the true ownership and origin of funds.¹⁰⁸ Even with reforms requiring disclosure of beneficial ownership, enforcement remains challenging when enablers intentionally design structures to evade detection, maintaining their role as critical facilitators of IFFs.¹⁰⁹

A clear example is trade-based money laundering (TBML), which the Global Financial Integrity (GFI) 2020 report identified as a growing problem in Uganda.¹¹⁰ In TBML schemes, professional enablers help disguise illicit funds by falsifying trade documentation, engaging in over-invoicing, under-invoicing, multiple invoicing, and misrepresentation of goods and services.¹¹¹ For instance, import-export professionals, accountants, and customs agents may collaborate to inflate the value of imports, allowing excess money to be transferred abroad under the guise of legitimate trade.¹¹²

Conversely, under-invoicing exports enables illicit funds to remain hidden offshore. Lawyers may provide advice on structuring these transactions to minimise regulatory scrutiny, while auditors may certify manipulated accounts that legitimise fraudulent invoices.¹¹³ These practices not only facilitate capital flight but also erode Uganda's tax base and undermine economic stability. The GFI report noted that Uganda loses billions of shillings annually through trade misinvoicing, much of it engineered with the expertise of professional enablers who exploit their privileged access to financial systems and regulatory blind spots.¹¹⁴

¹⁰⁵ https://www.researchgate.net/publication/393782166_Evaluating_the_Effectiveness_of_AML_Regulations_A_Critical_Review

¹⁰⁶ <https://images.transparencycdn.org/images/2023-Report-Loophole-Masters-English.pdf?>

¹⁰⁷ Ibid

¹⁰⁸ <https://www.esaamlg.org/reports/14th%20Enhanced%20FUR%20Uganda%20and%206th%20TC%20Rerating-%20September%202024.pdf>

¹⁰⁹ Ibid

¹¹⁰ <https://gfintegrity.org/wp-content/uploads/2020/03/GFI-Trade-IFF-Report-2020-Final.pdf>

¹¹¹ <https://acode-u.org/uploadedFiles/TBML-memo.pdf?>

¹¹² Ibid

¹¹³ Ibid

¹¹⁴ <https://gfintegrity.org/wp-content/uploads/2020/03/GFI-Trade-IFF-Report-2020-Final.pdf>

7 | RECOMMENDATIONS TO STRENGTHEN THE FIGHT AGAINST PROFESSIONAL ENABLERS

Despite legislative amendments to the AMLA and the Companies Act, professional enablers remain a critical vulnerability in Uganda's fight against IFFs. While reforms have improved transparency and compliance requirements, enforcement challenges, capacity limitations, and legal privileges mean that enablers can still facilitate illicit transactions. This underscores the fact that legislative measures alone are insufficient; active monitoring, prosecution, and robust oversight mechanisms are essential to mitigate the ongoing risk posed by professional enablers.

Additionally, Uganda should ensure the effective implementation of beneficial ownership rules introduced in the amended Companies Act (2022). This requires creating a centralised, publicly accessible beneficial ownership registry with strict penalties for false or incomplete filings. Regulators like the URSB, FIA, and URA must be equipped with the tools to cross-check disclosures against trade, tax, and banking records. This would close loopholes exploited by lawyers, accountants, and trust service providers in hiding illicit wealth behind shell companies.

Uganda also needs to build specialised capacity for regulators. The FIA and URA need dedicated training and technological support to investigate complex corporate structures, forensic accounting, and trade-based money laundering schemes. Partnerships with international bodies like the ESAAMLG, FATF, and IMF could support the development of analytical units capable of detecting patterns in misinvoicing, layered corporate structures, and cross-border transfers. Without this capacity, professional enablers will continue to outpace regulators in exploiting financial loopholes.

Further, Uganda should strengthen the regulation of Designated Non-Financial Businesses and Professions (DNFBPs). This means requiring mandatory AML/CFT compliance programs, regular audits, and fit-and-proper licensing tests. Regulatory bodies like the Institute of Certified Public Accountants of Uganda (ICPAU) and the Uganda Law Society (ULS) should collaborate with FIA to conduct risk-based supervision of professionals most exposed to IFF risks and enforce disciplinary sanctions for violations.

Moreover, Uganda should scale its existing inter-agency linkages into a fully integrated financial intelligence and enforcement platform that connects the FIA, URA, URSB, Bank of Uganda, and law enforcement agencies. Digitally bridging banking data, tax records, and the beneficial ownership registry would close the structural gaps where professional enablers exploit weak agency coordination to move illicit wealth undetected. This automated network would replace slow, request-based tracking with proactive, data-driven financial oversight. Finally, Uganda could address the challenge of implementation through accountability mechanisms. They could hold regular public reporting on enforcement actions, including prosecutions or disciplinary actions against professional enablers, to create deterrence. Moreover, Uganda could adopt peer review mechanisms through ESAAMLG or OGP (Open Government Partnership) commitments to ensure that reforms translate into tangible action rather than remaining on paper.

8 | CONCLUSION

In Uganda, professional enablers remain central to the persistence of illicit financial flows (IFFs). By creating complex corporate structures, manipulating financial records, and exploiting professional privileges such as attorney-client confidentiality, they provide the expertise and cover needed to move illicit wealth undetected. Uganda has taken important steps to regulate these actors through the Anti-Money Laundering Act, the amendments to the Companies Act (2022) mandating beneficial ownership disclosure, and the work of institutions like the Financial Intelligence Authority (FIA), the Uganda Revenue Authority (URA), and professional bodies such as ICPAU and ULS. These have been reinforced by initiatives including inter-agency collaboration, disciplinary sanctions against complicit professionals, and alignment with international frameworks under ESAAMLG and FATF.

Yet, persistent challenges undermine the impact of these reforms. The FIA and URA often lack the resources, expertise, and technology needed to unravel complex financial schemes, while enforcement of beneficial ownership rules remains inconsistent. Privileges intended to safeguard professional ethics are sometimes abused to shield illicit transactions, and oversight of Designated Non-Financial Businesses and Professions (DNFBPs) is still weak. More broadly, Uganda struggles with implementation—laws exist, but their enforcement is uneven, and regulatory coordination remains fragmented. Overcoming these challenges requires more than legislative reform. Uganda must invest in specialised regulatory capacity, strengthen supervision of professional sectors, build integrated data-sharing mechanisms across agencies, and enforce accountability through public reporting and independent oversight. These measures would help close existing loopholes, reduce the space in which professional enablers operate, and secure Uganda's financial system against the corrosive effects of IFFs.



PART TWO

KENYA

KENYA · COUNTRY PROFILE

USD 47.5B

Estimated losses to illicit financial flows between 2013 and 2022

FATF GREY LIST HISTORY



AT A GLANCE

Current FATF status

Grey-listed since February 2024 and still under increased monitoring as of the 2026 plenary.

Principal statute

The Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), 2009.

Supervisory architecture

Among the widest in the region, but reporting by professional sectors remains minimal.

INSTITUTIONAL FOOTPRINT



National bodies carrying AML/CFT supervisory roles



Year Kenya was placed under increased monitoring



Virtual Asset Service Providers Act enacted

PROFESSIONAL ENABLERS IMPLICATED



Advocates and legal practitioners



Accountants and auditors



Estate agents



Casinos and gaming operators



Virtual asset service providers

ILLUSTRATIVE CASE

The National Youth Service (NYS) scandal

The Auditor General identified eight distinct methods used to syphon approximately KSh 1 billion of public funds. Banking institutions processed transactions without proper authorisation, a consulting firm used contractual arrangements to exploit procurement loopholes, and payments were routed to unregistered suppliers — a failure spanning the banking, legal and consulting professions at once.

9 | THE KENYAN CONTEXT

Background

In February 2024, Kenya woke up to the news of its grey-listing by the Financial Action Task Force (FATF), finding itself in a precarious position as it grapples with the consequences.¹¹⁵ The grey-listing was due to its perceived inadequacies in combating illicit financial flows and money laundering. Despite efforts to strengthen its regulatory framework, Kenya's financial systems remain vulnerable to exploitation by professionals seeking to launder money through various channels.

The grey listing represents a significant blow to Kenya's reputation as a regional financial hub and could have far-reaching implications for its economy. This development underscores the urgent need for Kenya to escalate its efforts in implementing robust anti-money laundering measures and enhancing cooperation with international partners to address the weaknesses.

¹¹⁵ EXPLAINER: Why Kenya has been grey-listed and what it means (the-star.co.ke) as accessed on 9/04/2024

10 | OVERVIEW OF THE EXISTING LEGAL, INSTITUTIONAL & POLICY FRAMEWORK COMBATING IFF IN KENYA

Kenya's legal, institutional, and policy architecture to combat illicit financial flows (IFFs), money laundering, and terrorism financing is anchored in a combination of constitutional principles, international and regional obligations, national legislation, and sector-specific regulations. The framework aims to safeguard the integrity of Kenya's financial system, enhance transparency and accountability, and ensure compliance with global AML/CFT standards.

Kenya's continued presence on the FATF grey list is the clearest evidence that technical compliance on paper does not translate into effectiveness on the ground.

Central to this framework are the preventive, investigative, supervisory, and enforcement functions exercised by multiple national institutions, including financial sector regulators, professional bodies, and anti-corruption agencies. Together, these legal and institutional mechanisms govern the conduct of financial institutions, designated non-financial businesses and professions (DNFBPs), and other corporate actors whose services may be vulnerable to misuse for IFF-related purposes.

International & Regional Conventions

Kenya's domestic AML/CFT regime is strongly shaped by its ratification of international conventions and participation in regional anti-corruption and AML/CFT mechanisms. Kenya has ratified a number of major international instruments that collectively form the backbone of its obligations in combating illicit financial flows (IFFs) and strengthening its AML/CFT regime. These include the UN Convention Against Corruption (UNCAC), which requires States Parties to criminalise corruption, establish strong asset recovery frameworks, adopt preventive measures, and enhance international cooperation. Kenya is also a party to the UN Convention Against Transnational Organised Crime (UNTOC), which criminalises participation in organised criminal groups and promotes cross-border cooperation, including through protocols dealing with money laundering, investigative assistance, and the confiscation of proceeds of crime.

In addition, Kenya has ratified the International Convention for the Suppression of the Financing of Terrorism (ICSFT), obligating it to criminalise terrorism financing and freeze assets intended to support terrorist activities. The country is also bound by the 1988 Vienna Convention, which establishes global obligations to criminalise money laundering linked to narcotic drug trafficking and to strengthen mechanisms for cross-border seizure and confiscation of illicit assets. Finally, Kenya's membership in the OECD Convention on Mutual Administrative Assistance in Tax Matters (MAAC) enhances its ability to engage in international tax information exchange, thereby improving the detection and disruption of tax-related illicit financial flows.

Kenya is also guided by a number of regional instruments that reinforce its efforts to combat corruption, money laundering, and broader illicit financial flows. Chief among these is the African Union Convention on Preventing and Combating Corruption (AUCPCC), which sets continent-wide standards for criminalising corruption, illicit enrichment, and money laundering, while strengthening mechanisms for regional cooperation in tracing and recovering stolen assets.

National Legal Framework

The Constitution of Kenya 2010

Whilst the Constitution of Kenya, 2010, does not explicitly mention IFFs or money laundering, its provisions on leadership, integrity, public finance management, oversight bodies, and national security provide a framework for addressing the underlying issues and implementing measures to combat these illicit activities effectively.

The Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), 2009

The Act serves as Kenya's primary AML legislation. POCAMLA criminalises money laundering, establishes the Financial Reporting Centre (FRC) as the national financial intelligence unit, and imposes obligations on reporting entities, including DNFBPs, to conduct customer due diligence, maintain proper records, and file suspicious transaction reports. It further empowers the courts to freeze, seize, and confiscate proceeds of crime and provides mechanisms for cross-border cooperation in financial intelligence sharing and asset recovery.

Moreover, to strengthen and modernise this regime, Kenya enacted the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025, which introduced wide-ranging reforms to different Acts of Parliament. These amendments broadened the definition of beneficial ownership to enhance transparency and introduced stronger sanctions for non-compliance by reporting entities. Collectively, these changes significantly advance Kenya's alignment with FATF Standards, particularly in preparation for ESAAMLG mutual evaluations.

The Anti-Corruption and Economic Crimes Act (ACECA), 2003

The Act criminalises corruption, economic crimes, fraud, and illicit enrichment, establishing detailed procedures for investigation and prosecution. Importantly, ACECA designates corruption as a predicate offence for money laundering, ensuring that proceeds of corruption can be targeted under POCAMLA.

The Prevention of Terrorism Act (POTA), 2012

This Act criminalises terrorism financing, empowers authorities to freeze assets linked to terrorism, and requires institutions to report transactions suspected of supporting terrorist activities.

The Ethics and Anti-Corruption Commission Act (EACC Act), 2011

The Act establishes the Ethics and Anti-Corruption Commission (EACC), mandating it to investigate corruption, monitor compliance with public sector integrity standards, and coordinate asset recovery efforts. Broader governance and public financial management controls are provided under the Public Finance Management Act (PFMA), 2012, which establishes systems for fiscal transparency and accountability across national and county governments.

The Public Procurement and Asset Disposal Act, 2015

The Act strengthens transparency, competitiveness, and integrity in public procurement, an area historically vulnerable to corruption and a common channel through which illicit financial flows are generated.

The Sacco Societies Act

Establishes the Sacco Societies Regulatory Authority (SASRA), which regulates SACCOs, many of which handle substantial cash transactions that require AML/CFT oversight

Collectively, these statutes form the backbone of Kenya's national response to corruption, money laundering, and related financial crimes.

DNFBP-Specific Legal Framework

In Kenya, several regulatory bodies oversee professional conduct across various sectors. Key regulatory bodies include the Institute of Certified Public Accountants of Kenya (ICPAK), which regulates the accountancy profession and ensures adherence to professional standards and ethics among certified public accountants. Secondly, the Law Society of Kenya (LSK) regulates the legal profession in Kenya, ensuring that lawyers adhere to ethical standards and professional conduct.

Thirdly, the Capital Markets Authority (CMA) regulates and oversees financial market professionals, institutions and the capital markets in Kenya, including stock exchanges and investment firms, to ensure fair and transparent market practices and investor protection. The Insurance Regulatory Authority (IRA) also regulates and supervises the insurance industry in Kenya, ensuring compliance with insurance laws and regulations and protecting the interests of policyholders.

These regulatory bodies are established under different laws and play crucial roles in overseeing professional conduct, maintaining ethical standards, and protecting the interests of consumers and the public in Kenya. The governing framework of DNFBP is as laid out below:

Regulation of Lawyers

The regulation of legal practitioners in Kenya is primarily anchored in the **Advocates Act, 1989**, which governs the admission, practice, and discipline of advocates. The Act establishes the Advocates' Complaints Commission and the Disciplinary Tribunal, both instrumental in enforcing professional conduct and addressing misconduct within the legal profession. Lawyers often handle sensitive and high-risk transactions, such as managing client accounts, conducting real estate conveyancing, and facilitating company formation, which exposes them to potential money laundering and terrorism financing risks.

Kenya has continued to conduct legislative reforms which have now formally placed the role to self regulate within the profession. Section 2 of the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), as revised in 2025, now explicitly recognizes advocates and law firms as reporting agents when they undertake certain activities on behalf of clients, including managing client funds, buying and selling real estate, or forming and managing companies and trusts. The Law Society of Kenya (Amendment) Act, 2023 introduced Section 4A which designates the Law Society of Kenya (LSK) as a Self-Regulatory Body (SRB) for purposes of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) within the legal profession. Under Section 4A (2) (d), the Society is empowered to

issue guidelines, rules, and directions to assist members in complying with the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) and related laws.

These guidelines require lawyers to undertake customer due diligence, maintain accurate and up-to-date client records, and file suspicious transaction reports where the law permits, all while upholding the doctrine of legal privilege. Collectively, these measures strengthen the capacity of the legal profession to detect and deter illicit financial activity without undermining core principles of client confidentiality.

Regulation of Estate Agents

Estate agency practice in Kenya is regulated under the **Estate Agents Act, 1984**, which establishes licensing requirements and sets standards for professional conduct. The Act seeks to safeguard the integrity of real estate transactions by prohibiting fraud, misrepresentation, and other unethical practices. Given the documented money laundering risks associated with Kenya's rapidly expanding real estate sector, the Act indirectly supports the AML/CFT framework by requiring agents to act with transparency, including verifying the identities of buyers and sellers and properly documenting all property transactions. These measures help to limit the misuse of real estate as a conduit for the placement or integration of illicit funds.

Regulation of Casinos and Gaming

Casinos and gaming establishments operate under the **Gambling Control Act, 2025**, which came into effect repealing the Betting, Lotteries and Gaming Act. The Act aims to provide a comprehensive legal framework for all gambling activities in Kenya, including betting, casinos and lotteries. The Act establishes the Gambling Regulatory Authority to oversee compliance and licensing.

Regulation of Mineral Dealers

The regulation of mineral dealers and exporters falls under the **Mining Act, 2016**, which imposes stringent controls on the trade and movement of minerals. The Act requires all mineral dealers and exporters to obtain licences, maintain detailed records of transactions, and verify the origin of minerals they handle. These requirements promote transparency and traceability within the mineral supply chain, helping to curb the illicit trade in minerals, a known driver of smuggling, tax evasion, and trade-based illicit financial flows. By mandating clear documentation and oversight, the Mining Act supports Kenya's broader efforts to prevent the exploitation of the extractive sector for financial crimes.

Regulation of Accountants and Auditors

The accounting profession in Kenya is regulated by the **Accountants Act, 2008**, which establishes the Institute of Certified Public Accountants of Kenya (ICPAK) as the statutory body responsible for licensing practitioners, setting professional standards, and administering disciplinary processes. Given their role in auditing financial records, advising on tax matters, and overseeing client funds, accountants are critical gatekeepers in detecting suspicious financial behaviour. ICPAK complements statutory obligations with **AML/CFT Guidelines for Accountants**, which outline due diligence procedures, risk-based assessments, and indicators of suspicious activity. Together, these requirements ensure that accountants apply a high degree of vigilance in identifying potential money laundering or terrorism financing risks in the course of their work.

Regulation of Company Secretaries and Trustees

Company secretaries, regulated under the **Certified Public Secretaries Act, 1988**, play a pivotal role in corporate governance and compliance. Their responsibilities include maintaining statutory registers, filing beneficial ownership information with the Business Registration Service, and overseeing company incorporation processes – functions that are central to preventing the misuse of corporate structures for illicit financial activities. This regulatory framework significantly enhances transparency in corporate operations, reducing opportunities for shell companies and opaque ownership arrangements. Additionally, trustees in the pensions sector are regulated under the **Retirement Benefits Act, 1997**, which establishes stringent governance, reporting, and fiduciary requirements to safeguard retirement funds. This ensures accountability and reduces the risk of pension schemes being exploited for financial crime.

Regulation of Virtual Asset Service Providers

The emergence of digital assets has prompted Kenya to strengthen oversight through the **Virtual Assets Service Providers Act, 2025**, which provides the first comprehensive regulatory framework for virtual asset service providers (VASPs). The Act introduces mandatory licensing for cryptocurrency exchanges, wallet providers, and other digital asset intermediaries, and subjects them to full AML/CFT obligations, including customer due diligence, record-keeping, and the filing of suspicious transaction reports. It also establishes supervisory mechanisms to ensure compliance and mitigate risks associated with anonymity-enhanced technologies. This framework aligns Kenya with evolving global standards, particularly those articulated under FATF Recommendation 15, and enhances the country's ability to detect and deter illicit financial flows in the digital economy.

Institutional Framework

Kenya's institutional AML/CFT ecosystem comprises supervisory, investigative, enforcement, and policy-coordination bodies. They are as laid out below:

Financial Reporting Centre (FRC)

The Financial Reporting Centre, established under the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), is Kenya's financial intelligence unit responsible for receiving and analysing suspicious transaction reports, cash transaction reports, and cross-border cash declarations. It issues directives and advisories to reporting institutions, supervises designated non-financial businesses and professions (DNFBPs) for AML/CFT compliance, and facilitates both domestic and international exchange of financial intelligence.

Central Bank of Kenya (CBK)

The Central Bank of Kenya supervises banks, microfinance institutions, forex bureaus, and mobile money operators, ensuring their compliance with AML/CFT frameworks. It enforces prudential guidelines, applies risk-based supervision, and imposes reporting obligations on regulated entities to deter money laundering and terrorism financing within the financial sector.

Capital Markets Authority (CMA)

The Capital Markets Authority regulates capital-market intermediaries, including brokers, investment advisers, fund managers, and collective investment schemes, all of which may be exposed to market-

based money-laundering risks. Its oversight ensures integrity, transparency, and compliance with AML/CFT requirements across the securities industry.

Insurance Regulatory Authority (IRA)

The Insurance Regulatory Authority supervises insurance companies and intermediaries, particularly those dealing with long-term, investment-linked, or high-value insurance products that may be vulnerable to money-laundering and terrorism-financing abuse. It enforces compliance standards and risk-mitigation measures within the insurance sector.

Sacco Societies Regulatory Authority (SASRA)

The Sacco Societies Regulatory Authority regulates deposit-taking and specified non-deposit-taking SACCOs, some of which pose elevated money-laundering and terrorism-financing risks due to the cash-intensive nature of their operations. SASRA strengthens governance, reporting, and compliance frameworks within the SACCO sector.

Ethics and Anti-Corruption Commission (EACC)

The Ethics and Anti-Corruption Commission investigates corruption, economic crimes, and related illicit conduct that often generates proceeds capable of entering the financial system. It plays a central role in preventing corruption, promoting integrity, and supporting the tracing and disruption of illicit financial flows.

Asset Recovery Agency (ARA)

The Asset Recovery Agency is mandated under POCAMLA to identify, trace, freeze, seize, and recover proceeds of crime. It undertakes both civil and criminal asset-recovery processes, collaborating with law enforcement and international partners to ensure that illicitly acquired assets are restored to the state.

Kenya Revenue Authority (KRA)

The Kenya Revenue Authority addresses tax-related illicit financial flows through transfer-pricing audits, cross-border information exchange agreements, and enforcement of tax-compliance measures. Its mandate enables the detection of tax evasion schemes that may intersect with money-laundering and terrorism-financing risks.

Business Registration Service (BRS)

The Business Registration Service maintains Kenya's beneficial ownership register for companies, partnerships, and trusts, enhancing transparency of legal entities and arrangements. By providing accurate ownership information, BRS supports efforts to prevent the misuse of corporate structures for money-laundering, terrorism-financing, and other illicit activities.

In addition, Kenya's membership in the **Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)** subjects it to regular mutual evaluations to assess its compliance with Financial Action Task Force (FATF) Standards. Through ESAAMLG, Kenya also benefits from regional peer learning and technical assistance aimed at strengthening its AML/CFT systems and aligning them with global best practices.

11 | CASE STUDIES ILLUSTRATING THE INVOLVEMENT OF PROFESSIONAL ENABLERS IN KENYA

In *Assets Recovery Agency v Charity Wangui Gethi & another*,¹¹⁶ the presented facts unveil a sophisticated network of financial transactions indicative of the involvement of professional enablers in Kenya. Bank staff, particularly at Family Bank and other implicated institutions, likely played a role in facilitating the movement of illicit funds through accounts with negligible balances, suggesting either complicity or negligence in enforcing due diligence protocols and reporting suspicious activities. Legal professionals, exemplified by Ogola and Company Advocates and M.M. Gitonga and Company Advocates, facilitated the transfer of substantial sums from questionable sources to the first respondent's personal accounts, raising concerns about their complicity in potential money laundering schemes or failure to conduct thorough due diligence.

Additionally, professionals associated with Horizon Ltd, the alleged source of the funds, may have been complicit in enabling illicit financial activities by providing large sums without adequate documentation or justification. The failure of regulatory and compliance officers, notably at the Central Bank, to effectively monitor and enforce banking regulations further underscores the need for strengthened oversight mechanisms to combat financial crimes and uphold the integrity of the financial system.

The NYS Scandal underscores the multifaceted involvement of professional enablers in perpetrating financial malpractice within the National Youth Service (NYS) in Kenya.¹¹⁷ The involvement of banking institutions, such as the National Bank of Kenya (NBK), without proper authorisation or oversight, indicates a systemic failure within the banking sector to enforce regulatory protocols, enabling the mismanagement and diversion of public funds. Furthermore, the engagement of legal and consulting firms, exemplified by The Consulting House owned by Mutahi Ngunyi, demonstrates how professional entities leveraged contractual arrangements to exploit loopholes and facilitate the syphoning off of public resources. This exploitation is evident in the discrepancies between contracted payment structures and the actual disbursements made, indicating a deliberate deviation from established procedures to enrich certain individuals or entities. Moreover, the irregularities in procurement processes, exemplified by payments to unregistered suppliers associated with Josephine Kabura Irungu, highlight a lack of due diligence and oversight in awarding contracts, allowing for the manipulation of procurement channels for personal gain. These revelations point to a broader culture of corruption and collusion among professionals across sectors, ultimately resulting in significant financial losses and undermining public trust in the integrity of governmental institutions.



¹¹⁶ [2021] eKLR

¹¹⁷ NYS scandal: Auditor General uncovers eight ways to syphon Sh1 billion - The Standard ([standardmedia.co.ke](https://www.standardmedia.co.ke)) as accessed on 4/16/2024

12 | INITIATIVES TO REGULATE PROFESSIONAL ENABLERS

Overview of Kenya's Regulatory Efforts

On 23rd February 2024, FATF put Kenya on the grey list, indicating enhanced monitoring to ensure compliance with international anti-money laundering, countering the financing of terrorism, and proliferation of weapons of mass destruction. Kenya, in turn, pledged a significant political commitment to collaborate with the Financial Action Task Force (FATF) and Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to enhance the efficiency of its anti-money laundering regime.

This has not come as a huge surprise since the adoption of its Mutual Evaluation Report (MER) in September 2022. Nonetheless, Kenya has made progress in addressing certain recommended actions outlined in the MER, albeit clearly inadequate to veil it from the grey-listing. This progress includes revising its anti-money laundering legislation to align more closely with FATF recommendations.

Kenya aims to implement its FATF action plan by conducting comprehensive terrorism financing (TF) risk assessments and consistently sharing outcomes with competent authorities and the private sector to update national anti-money laundering/countering the financing of terrorism (AML/CFT) strategies. It further seeks to intensify regulatory oversight by enhancing risk-based supervision of financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs).

Furthermore, Kenya is to focus on enhancing the understanding of preventive measures among FIs and DNFBPs to increase suspicious transaction report (STR) filings and ensure the timely implementation of targeted financial sanctions (TFS). It strives to appoint a dedicated authority to regulate trusts and ensure the accurate collection of beneficial ownership information to combat illicit financial activities.

Additionally, Kenya pursues escalating money laundering investigations and prosecutions in alignment with identified risks while ensuring compliance with FATF Recommendations 6 and 7 to implement the TFS framework effectively. Finally, the country is to review the regulatory framework governing Non-Profit Organisations (NPOs) to mitigate risks associated with illicit financial flows while facilitating legitimate NPO activities. These concerted efforts underscore Kenya's unwavering dedication to combating money laundering and illicit financial flows, safeguarding its financial integrity and stability.

Description of Specific Initiatives undertaken by regulatory bodies and government agencies.

Although there is still a lot to be done to effectively address and counter the impact and increasing role of professional enablers of illicit financial flows and money laundering, several steps have been taken to mitigate the issue and also comply with the International standards set by FATF. These efforts have mostly taken the shape and form of strengthening the Anti-Money Laundering Framework and also increasing the scrutiny of Professional Enablers.

Initiatives put in place to fight money laundering and illicit financial flows have morphed over the years, with some taking the form of new laws and amendments to existing laws, while others have seen the establishment of agencies and the launch of campaigns in different jurisdictions.¹¹⁸

¹¹⁸ Kenya Bolsters AML and CFT Regulation Framework with Anti-Money Laundering and Combating of Terroris : Clyde & Co (clydeco.com) as accessed on 14/04/2024

In Kenya, the fight against money laundering started as a responsibility after joining the United Nations, but has over the years, been cemented by different efforts. Kenya is a member of the **Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)**. This is a group that was formulated to see out several objectives that would enhance the fight against money laundering. The main objectives of the group include implementing measures that would deepen the fight against terrorism financing, adopting and implementing the 40 recommendations of the **Financial Action Task Force (FATF)**, and applying anti-money laundering measures to all serious crimes.¹¹⁹

Whilst 2009 marked a foundation of Kenya's fight against money laundering, seen with the enactment of the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), several steps have had to be taken to solidify this move.¹²⁰ POCAMLA has met several amendments over the years, with the first weighty amendment being assented into law by the President, on 3rd March 2017. This amendment sought, among other things, to strengthen the powers of the **Financial Reporting Centre (FRC)** and allow it to impose civil penalties on entities and individuals that did not comply with the set rules and regulations.

Moreover, the proposed amendment at the time was also the first attempt to include members of the legal profession – advocates and notaries as entities responsible for reporting to the FRC, flagging out some of their clients' dealings. This is so, as advocates have continuously been seen as professional enablers of money laundering, working under the cast and veil of advocate-client confidentiality.

Further amendments to the Act were enacted into law in January 2022, when the FRC and the **Asset Recovery Authority (ARA)** were given the powers to freeze individual accounts on suspicion of involvement with money laundering activities and other similar activities prohibited under the Act. The amendment also encapsulated the inclusion of advocates and notaries as persons due to report to the FRC,¹²¹ a much-fought amendment, as it was seen to puncture the advocate-client confidentiality veil. This meant that advocates would be criminally liable if they failed to comply with the reporting provisions of the Act. Whilst this was a major step towards the regulation of professional enablers of money laundering and illicit financial flows, it was seen as an overreaching move. It faced a huge backlash, with its constitutionality challenged before the court.¹²²

The Asset Recovery Advisory Board was also established under the Act following that amendment. The Board was tasked with overseeing the Asset Recovery Agency and advising it on its performance, policies, and strategic priorities, among other things. This therefore meant that the board would hold the agency accountable and ensure that its mandate is achieved.¹²³

Further amendments were seen in 2023, as the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2023 was assented to law by the President on 1 September 2023. This move was seen as an integral effort and attempt to align Kenya's laws and regulations with the set international standards by the FATF. The proposed amendments cut across **16 Acts of Parliament**. These amendments were consequential to the deficiencies highlighted in the **Mutual Evaluation Report of 2022**.¹²⁴ They therefore sought to fill the loopholes in the legal framework and enhance Kenya's

¹¹⁹ [Eastern and Southern Africa Anti-Money Laundering Group \(ESAAMLG\) — HLS PILAC \(harvard.edu\)](#) as accessed on 14/04/2024

¹²⁰ Njuguna Ndung'u: Brief remarks on Kenya's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime (bis.org) as accessed on 14/04/2024

¹²¹ Sec. 48, POCAMLA CAP. 56

¹²² Law requiring advocates to report clients' illegal dealings challenged (the-star.co.ke) as accessed on 12/04/2024.

¹²³ Sec. 55B, POCAMLA CAP. 56

¹²⁴ ESAAMLG (2022), Anti-money laundering and counter-terrorist financing measures - Kenya, Second Round Mutual Evaluation Report, ESAAMLG, Dar es Salaam <http://www.esaamlg.org/reports/me.php> as accessed on 14/04/2024

compliance with the standards set by FATF. Some of the amendments were key in heightening the fight against professional enablers, and they included;-

- i. Amending Section 2 of POCAMLA to insert a definition of financial group. The amendment saw the definition of a financial group as, “A group that consists of a parent company or of any other type of legal person exercising control and coordinating functions over the rest of the group, together with branches or subsidiaries that are subject to AML/CFT policies and procedures at the group level.” This scope therefore widened the net of persons and groups not initially covered who acted as enablers to money laundering and illicit financial flows.
- ii. Section 2 of POCAMLA was also further amended to include the Law Society of Kenya (LSK) as a self-regulatory body. This came following the 2021 National Risk Assessment (NRA), which identified the legal profession as an enabling profession to money-laundering because of an existing shield in the name of **client-attorney privilege**, which was often abused. Further, Kenya was deemed non-compliant with FATF recommendation 23 on the adequacy of measures on Designated Non-Financial Businesses in the MER (2022), Kenya.¹²⁵

Additionally, FATF Recommendation 9 stipulates that financial institution secrecy laws should not inhibit the implementation of the FATF Recommendations. The inclusion of the LSK as a self-regulatory body, and therefore a reporting institution, is a step closer to bridging enduring gaps within Kenya’s AML/CFT regulatory framework while still mitigating the ramifications of such amendments on the long-standing attorney-client privilege. This amendment also saw resulting amendments to Section 44(3) of POCAMLA, stipulating that legal persons would channel reports on suspicious transactions through LSK.

- iii. Section 2 of the Anti-Corruption and Economic Crimes Act (ACECA) was amended to include money laundering as an economic crime. Initially, the scope of the definition of economic crimes under the act was limited to only fraudulent dealings in public property, which meant that the Ethics and Anti-Corruption Commission (EACC) could not carry out investigations into money laundering activities as a separate offence from corruption. This consequently meant that in the past, EACC could not investigate the activities of some of the professional enablers of money laundering based on a legal technicality, a problem which has now been cured by the amendment.
- iv. There were further amendments to the Companies Act and the Limited Liability Partnership Act as to the particulars of Beneficial Owners upon registration. This amendment follows the MER 2022 edicts, which adjudged Kenya as partially compliant with FATF recommendation 23.¹²⁶ Moreover, FATF has issued several guidelines on the management of Ultimate Beneficial Ownership, which is part of Recommendation 24.

In March 2023, FATF issued an updated guideline requiring countries to ensure that competent authorities have access to accurate and up-to-date information on Beneficial Ownership. Importantly, FATF implored countries to initiate measures to ensure that **nominee shareholders and directors of legal entities** are not misused for money laundering. These are groups of professionals who can easily be enablers of money laundering and illicit financial flows. The amendment was thus tightening the bolt on that gap as previously, companies and Limited Liability Partnerships (LLPs) were only required to file

¹²⁵ Ibid.

¹²⁶ Ibid.

beneficial ownership information with the registrar, and the same was not a requirement when registering a company. Also, there was no time cap on the submission of the Ultimate Beneficial Owner (UBO) register and no existing ramifications for non-compliance.

While Kenya was listed as one of the jurisdictions under increased monitoring (grey-listed) by the FATF,¹²⁷ indicating that there are deficiencies that still need to be addressed, the above efforts, especially towards strengthening the legal framework, are a step in the right direction.

¹²⁷ Jurisdictions under Increased Monitoring - 23 February 2024 (fatf-gafi.org) as accessed on 16/04/2024

13 | CHALLENGES ENCOUNTERED IN REGULATING PROFESSIONAL ENABLERS AND ADDRESSING GAPS IN REGULATORY FRAMEWORK.

Despite the efforts put in place to regulate professional enablers and address gaps in the legal framework, challenges still persist. These challenges usually impede the effective implementation of efforts to curb money laundering and illicit financial flows in Kenya. Some of these challenges include:

I. Lack of a comprehensive regulatory framework specifically targeting professional enablers.

Whilst several strides have been made in tightening the loose gaps in the regulatory framework that deals with money laundering and illicit financial flows, these strides have taken the form and shape of amendments. Several amendments have been made to different Acts of Parliament, with a number made to POCAMLA. While this is a lauded initiative, there is still a substantial legal gap in dealing with professional enablers of money laundering and IFF, as the amendments do not comprehensively focus on and mitigate the problems brought about by professional enablers. This is clear, as Kenya is “grey listed” despite all these efforts and changes. The lack of stickling specificity in the legal framework makes it hard to deal with professional enablers.

II. Limited capacity and resources to regulate the professional enablers.

Several amendments have been made to our regulatory framework, and in good faith, bestowing new mandates and more powers to professional bodies and agencies such as the Law Society of Kenya and the Ethics and Anti-Corruption Commission. However, these bodies face financial and technical constraints as the additional roles were not accompanied by an increase in funding or staff. This therefore, hinders the effective implementation and execution of such duties, thereby limiting the fight against professional enablers.

III. Legal impediments and ethical dilemmas.

Whereas the amendments to POCAMLA have been clear on the role of the LSK, especially as a self-regulatory body for legal professionals in the fight against money laundering and illicit financial flows, its implementation given the long-standing common law principle of advocate-client privilege which has been further cemented in our statutes proves a challenge. The amendment to POCAMLA that required lawyers to be reporting agencies in case of their clients' illegal dealings was challenged in court on grounds that it eroded advocate-client privilege.¹²⁸ The court issued conservatory orders halting the implementation of Section 2(c) and 14(b), the provisions challenged.¹²⁹ While the conservatory orders have been lifted, LSK is yet to come up with the requisite Regulations.

IV. Retrogressive laws and amendments are being fronted in Parliament.

¹²⁸ Law requiring advocates to report clients' illegal dealings challenged (the-star.co.ke) as accessed on 19/04/2024

¹²⁹ Court suspends Act allowing disclosure of client's dealings (the-star.co.ke) as accessed on 19/04/2024

Whilst different government agencies are striving to make strides to regulate professional enablers of money laundering and posit Kenya as one of the countries that adhere to the international standards set by FATF, some Parliamentarians are watering down the fight by proposing amendments that threaten this adherence.¹³⁰ The Anti-Corruption and Economic Crimes (Amendment) Bill No. 40 of 2023, sponsored by Hon. Geoffrey Ruku, sought to amend Section 45(2) of the Anti-Corruption and Economic Crimes Act of 2003. The proposed amendments seek to remove the offence of failing to adhere to procurement guidelines and the engagement of public funds in unplanned projects, both being procurement offences. These amendments have no clear-cut justification or need for the common good.¹³¹

Further, the Anti-Corruption and Economic Crimes (Amendment) Bill No. 30 of 2023,¹³² sponsored by Hon. Peter Kaluma, sought to repeal Section 64 of the Act, which provides for the disqualification of persons convicted of corruption or economic crimes from being elected or appointed as public officers. The Section, as it currently stands, bars anyone who has been convicted of corruption or economic crimes from being elected or appointed into office for ten years after the conviction.

These Amendment Bills, if assented into law, would hence erode the deterrence mechanisms set within the Act against professional enablers of money laundering who might seek public office after convictions.¹³³



¹³⁰ EACC: New bill a step back in Kenya's corruption fight - The Standard ([standardmedia.co.ke](https://www.standardmedia.co.ke)) as accessed on 19/04/2024

¹³¹ MEMORANDUM ON THE PROPOSED ANTI-CORRUPTION AND ECONOMIC CRIMES (AMENDMENT) BILL, NATIONAL ASSEMBLY BILLS NO. 40 OF 2023 | 13TH MARCH 2024 by The Civil Society Parliamentary Engagement Network (CSPEN) - Transparency International (tikenya.org) as accessed on 19/04/2024

¹³² The Anti-Corruption and Economic Crimes (Amendment) Bill, 2023 | The Kenyan Parliament Website as accessed on 19/04/2024

¹³³ APNAC-K writes to Ruto, Raila over Bills seeking to amend anti-corruption law - The Standard ([standardmedia.co.ke](https://www.standardmedia.co.ke)) as accessed on 19/04/2024

14 | RECOMMENDATIONS TO STRENGTHEN THE FIGHT AGAINST PROFESSIONAL ENABLERS OF MONEY LAUNDERING



There is a need to strengthen regulatory measures and enhance supervision and enforcement of existing measures to improve Kenya's adherence to the set standards and heighten the fight against professional enablers of money laundering.



There should also be targeted public awareness campaigns on the risks associated with illicit financial flows and money laundering, such as the risks posed by "Greylisting" of a country, to the business community.



Mechanisms should be put in place for enhanced international cooperation and collaboration with other countries and international organisations to combat cross-border financial crimes.



15 | CONCLUSION.

Kenya's efforts to address professional enablers of money laundering and illegal financial flows are admirable, demonstrating a strong commitment to international anti-money laundering programmes. The country has taken a variety of steps, including legislative reforms, improved regulatory structures, and stronger enforcement procedures. Nonetheless, significant challenges remain, including the need for additional capacity building, stakeholder cooperation, legislative regressions, and addressing systemic flaws in different sectors. Despite these challenges, Kenya's determination to combat financial crimes underscores its dedication to adhere to the set international standards. Sustained efforts, together with international cooperation, are critical for effectively mitigating the dangers presented by illicit financial flows and money laundering.



PART THREE

GHANA

GHANA · COUNTRY PROFILE

USD 54.1B

2

Estimated losses to illicit financial flows
between 2013 and 2022

Suspicious transaction reports filed by DNFBPs,
2016–2019

FATF GREY LIST HISTORY



AT A GLANCE

Trade misinvoicing exposure

Affected roughly 28% of total trade value across the decade, above the West African average.

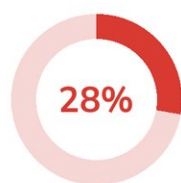
Principal statute

The Anti-Money Laundering Act, 2020 (Act 1044), supervised by the Financial Intelligence Centre.

Defining gap

No dedicated licensing or supervision regime for trusts and company service providers.

RISK CONCENTRATION



Of total trade value affected by
misinvoicing



Sectors rated high-risk in the 2024
National Risk Assessment



DNFBP categories designated under
Act 1044

PROFESSIONAL ENABLERS IMPLICATED



Legal practitioners



Accountants and
accounting firms



Real estate professionals



Precious metals and gold
exporters



Trusts and company
service providers

ILLUSTRATIVE CASE

The Agyapa Royalties transaction

The Office of the Special Prosecutor's 2020 corruption risk assessment found that the structuring of the Agyapa Royalties transaction carried significant corruption risk, and that the arrangement would have fallen within the Securities and Exchange Commission's regulatory scope. The case illustrates how transaction structuring advice can place an IFF risk beyond the reach of ordinary supervision.

16 | GHANA CONTEXT

Background

Ghana lost an estimated USD 54.1 billion to IFFs between 2013 and 2022, ranking third among sub-Saharan African countries in GFI's 2026 Trade-Related IFFs in Africa report. Trade misinvoicing the manipulation of import and export values to move capital illicitly, affected approximately 28% of Ghana's total trade value over the decade, exceeding the West African regional average. These flows do not exist in isolation: they require the expertise of customs brokers, freight forwarders, lawyers, and accountants to design and execute the misinvoicing structures that produce them.

Ghana's 2024 National Risk Assessment formally identified six sectors as high-risk for money laundering: banking, extractives, construction and real estate, import/export, gaming, and trust services. Across each of these sectors, professional enablers designated as DNFBPs under Act 1044, are the primary AML/CFT gatekeepers. The NRA's STR data paints a damning picture: Ghana's FIC recorded only 2 STRs from DNFBPs between 2016 and 2019. The same report found similar data inadequacies regarding virtual asset activities and a limited understanding among stakeholders of their obligations.

Ghana explicitly includes five DNFBP categories under Act 1044 as accountable institutions bearing AML/CFT obligations: legal practitioners; real estate agents; precious metals and stones dealers; secondhand automobile dealers; and trust and company service providers. The practical compliance reality across each category, however, ranges from inadequate to functionally absent. Previously, Ghana was among the jurisdictions under increased monitoring, commonly referred to as greylisting, on February 21, 2020, by the FATF and was consequently added to the European Union list of high-risk third countries with strategic deficiencies in their AML/CFT regimes. However, Ghana followed the FATF Action Plan and was adjudged to have made significant progress, leading to its delisting by FATF in 2021 and subsequently by the EU in 2022.

Categories of Professional Enablers

Legal Professionals

Lawyers, solicitors, and independent legal professionals hold the most influential position in the IFF enablement ecosystem. They establish corporate structures, draft contracts, incorporate shell companies, and manage client funds through which illicit capital flows. They can also invoke legal professional privilege, the protection that prevents communication between lawyers and clients from being disclosed to regulators and law enforcement, as a shield against disclosure.

The Mossack Fonseca case, at the heart of the 2016 Panama Papers, serves as the standard example. The firm established over 214,000 offshore legal entities for clients across more than 200 countries, enabling tax evasion, money laundering, and sanctions violations on a massive scale. Ghana is mentioned in the Panama Papers: Ghanaian lawyers and company formation agents are included in the data, offering offshore structuring services to local clients. Under Act 1044 and FATF Recommendation 22, Ghanaian lawyers have gatekeeper roles. They have responsibilities for CDD, STR, and record-keeping, but exceptions for legal professional privilege. However, the extremely low STR filing rate

amongst DNFBPs, of which lawyers are part, suggests that these duties are more aspirational than practical.

Accountants and Accounting Firms

Accountants and accounting firms enable IFFs through audit, tax advisory, and company formation services. They certify accounts that hide illicit capital as legitimate, create transfer pricing structures that move profits to low-tax jurisdictions, and manage financial records that regulatory agencies must scrutinize. In Ghana's context, the connection between accountants and extractive sector clients is especially strong: gold, cocoa, and oil produce resource rents that are heavily targeted for illicit outflows.

The Chartered Accountants Act, 1963 (Act 170), establishes the Institute of Chartered Accountants (ICAG) and provides for professional discipline. Accountants are covered under DNFBP when performing gatekeepers' functions. FIC and partners have delivered training to accountants, but the professional sector's AML integration remains limited.

Real Estate Professionals

Ghana's real estate sector presents a compounding vulnerability: a rapidly growing, largely cash-based market in which professional gatekeepers have limited AML awareness and even more limited supervisory oversight. Real estate agents who fail to conduct proper checks on buyers or intentionally undervalue transactions allow criminals to launder money through property purchases. High-end real estate in Accra's prime neighborhoods, where luxury properties now command USD 450,000–600,000, has been flagged as a preferred vehicle for laundering the proceeds of corruption and organized crime. Ghana's 2024 NRA rated the real estate sector HIGH-RISK for money laundering.

Second-Hand Automobile Dealers

Ghana explicitly classifies motor vehicle dealers as DNFBPs, an extension beyond FATF's core list. This is well evidenced by the sector's actual use as an IFF channel: EOCO estimated in 2025 that up to 10,000 stolen vehicles may have entered Ghana's market, valued at USD 500 million to USD 1.5 billion. Vehicle dealers who fail to verify provenance, accept unexplained cash, or process fraudulent documentation are either unwitting participants in vehicle money laundering or active facilitators. The Lamborghini Urus case, involving a USD 150,000 vehicle purchased with proceeds from a USD 4.7 million US fraud scheme, illustrates the typology in Ghanaian market conditions.

Precious Metals and Stones Dealers / Gold Exporters

Ghana's gold sector is one of the country's most significant IFF vulnerabilities. Before the Ghana Gold Board was established under Act 1140 (2025), private exporters mainly acted as unregulated intermediaries for international gold sales, with some facilitating smuggling or underreporting exports. This reduced foreign exchange inflows to the government and fueled large volumes of unrecorded gold trade. The sector's high value, portability, weak oversight, and cross-border movement made it inherently attractive for professional enablers to exploit. Gold dealers and exporters continue to be designated DNFBPs under Act 1044.

Trust and Company Service Providers (TCSPs)

TCSPs are the least regulated professional enablers in Ghana. They are classified as DNFBPs under Act 1044, but Ghana does not have a dedicated TCSP licensing system, resulting in significant oversight gaps for independent providers outside regulated professions. The Public Trustees Act, 1952 (Act 24),

and the Trustees (Incorporation) Act, 1962 (Act 106), have limited scope and do not require trustees to disclose beneficial ownership to authorities. The beneficial ownership rules under the Companies Act, 2019 (Act 992), do not cover trusts as legal entities. Consequently, the most complex IFF structures, trusts used to conceal beneficial ownership across multiple jurisdictions, can operate in Ghana with minimal regulatory oversight.



17 | OVERVIEW OF THE EXISTING LEGAL & INSTITUTIONAL FRAMEWORK & POLICIES COMBATING IFFS IN GHANA

The OECD notes that combating IFFs depends on the quality of national regulations, their implementation, and their alignment with international standards.¹³⁴ Ghana has developed a comparatively robust legislative architecture for enabling professional practice in IFFs. This section offers an overview of the key Ghanaian regulations aimed at countering the activities of professional enablers.

Ghana's Financial Intelligence Centre recorded just two suspicious transaction reports from DNFBPs between 2016 and 2019.

GHANA: THE REPORTING GAP, OBLIGATION VERSUS PRACTICE

5

DNFBP categories carrying a statutory reporting duty

6

Sectors rated high-risk in the 2024 National Risk Assessment

2

Suspicious transaction reports actually filed, 2016–2019

International and Regional Conventions.

The international community's policy response has focused on regulation, taking the form of various standards or approaches with differing levels of effectiveness. Implementation has been delegated to multiple National Regulatory Agencies (NRAs), each with different names in various jurisdictions.

FATF 40 Recommendations and its Regional Styled Bodies (GIABA)

The Financial Action Task Force (FATF) has established 40 recommendations and accompanying implementation notes, which represent the most comprehensive international framework for combating money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction. These FATF standards, which have been adopted by approximately 200 countries, including Ghana, set the global benchmarks for identifying and comprehending financial risks as well as the mechanisms of money laundering.¹³⁵

United Nations Convention Against Corruption (UNCAC)

Ghana joined the UNCAC in December 2004 and ratified it in June 2007. Notably, the Convention's preamble emphasises the treaty's importance in addressing certain forms of IFFs. For example, the

¹³⁴ Global Financial Integrity (GFI). (2026). Trade-Related Illicit Financial Flows in Africa, 2013–2022. Washington, DC: GFI.

¹³⁵ Financial Intelligence Centre (FIC) Ghana. (2024). National AML/CFT/CPF Risk Assessment for Ghana, 2024. Accra: FIC.

preamble recognises links between corruption and other crimes, such as economic crimes and money laundering. Therefore, the UNCAC framework is considered the globally binding legal mechanism for anti-corruption efforts. The framework offers guidance to countries on how to prevent, detect, and prosecute corruption-related crimes, including those involving the laundering of illegal proceeds. It sets out measures for asset recovery, mutual legal assistance, and international cooperation in fighting corruption and related financial crimes. Additionally, the UNCAC encourages transparency, accountability, and integrity in both the public and private sectors by requiring signatory countries to adopt anti-corruption measures and promote good governance practices.

However, the provisions of the Convention are yet to be domesticated. Ghana, being a dualist state, is obligated not only to ratify a convention but also to take steps to domesticate the provisions of said convention to render it enforceable within its domestic legal framework. Technically, since the provisions of the UNCAC have not been domesticated, they do not form part of Ghana's domestic laws.

United Nations Convention Against Transnational Organized Crime (UNCTOC)

This convention provides a comprehensive framework for international cooperation in addressing transnational organized crime, including offences related to money laundering and illicit financial activities. UNCTOC establishes measures for the prevention, detection, investigation, and prosecution of organized criminal activities, facilitating the identification, tracing, freezing, and confiscation of assets derived from such crimes. By promoting collaboration and information sharing among member states, UNCTOC strengthens the capacity of countries to combat money laundering and disrupt illicit financial networks operating across borders.

The African Union Convention on Preventing and Combating Corruption (AUCPCC)

The African Union Convention on Preventing and Combating Corruption (AUCPCC), adopted in 2003, aims to help African nations create strategies to prevent, detect, punish, and eliminate corruption. Ghana signed the Convention in 2003 and ratified it in 2007; however, it has not yet been integrated into national law. The Convention seeks to improve cooperation among African countries in the fight against corruption by establishing standardized anti-corruption laws and enforcement measures. This harmonization promotes transparency and accountability in public governance, ultimately strengthening the integrity and effectiveness of anti-corruption efforts across the continent.

The AUCPCC identifies various corrupt practices, including illicit enrichment, money laundering, hiding proceeds of corruption, and misappropriating public funds. Additionally, the Convention includes provisions for asset recovery, which can help in recovering illegally transferred funds through international cooperation and mutual legal assistance among African nations.

The Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption

The Protocol on the Fight against Corruption was adopted by ECOWAS member states in 2001 but, despite significant efforts, failed to reach the required ratification threshold to enter into force in 2019. Its provisions closely align with those of the United Nations Convention against Corruption (UNCAC) and the African Union Convention on Preventing and Combating Corruption (AUCPCC). Although Ghana signed the Protocol in 2003, it has not yet taken steps to integrate it into its domestic legal system.

The African Union Special Declaration on Illicit Financial Flows

The African Union's Special Declaration on Illicit Financial Flows (2015) is a non-binding legal framework that reflects the commitment of African nations to “ensure that all financial resources lost due to illicit capital flight and IFFs are recognized and repatriated to Africa to support the continent's development objectives.”¹³⁶ The declaration highlights the significant levels of IFFs within the extractive and natural resources sectors, emphasizing that corrupt governmental bodies and inefficient institutional frameworks exacerbate the issue. It underscores the importance of combating corruption as a strategy to reduce IFFs.

National Legal Framework

Anti-Money Laundering Act 2020 (Act 1044)

Act 1044 is the cornerstone of Ghana's AML/CFT framework, amending and strengthening the Anti-Money Laundering Act, 2008 (Act 749) and its 2014 amendment (Act 874). It consolidates laws relating to money laundering prohibition and designates accountable institutions, including all major DNFBP categories, with specific obligations.

- ▶ Section 1: Criminalises conversion, concealment, disguising, or transfer of property to hide its illicit origin.
- ▶ Sections 30–32: Mandate Customer Due Diligence (CDD) for all accountable institutions, including identification, verification, and beneficial ownership determination.
- ▶ Section 38: Requires STR filing within 24 hours upon forming a suspicion; no minimum transaction threshold applies.
- ▶ Section 40: Extends reporting duty to attempted transactions.
- ▶ Section 42: Mandates 5-year record retention.
- ▶ Section 52: Designates FIC as DNFBP supervisor with inspection powers.
- ▶ Section 63: Identifies Beneficial Ownership as a mechanism to combat corporate opacity linked to IFFs.

Assessment: Act 1044 is broadly FATF Rec. 22 compliant in technical scope. Its critical weakness is in effectiveness, the near-zero STR filing from DNFBPs, limited supervisory follow-through, and gaps in TCSP, digital asset, and emerging technology coverage.

Anti-Money Laundering Regulations 2011 (LI 1987)

LI 1987 implements the earlier Act 749 and remains partly in effect while awaiting new regulations under Act 1044. It outlines guidelines for CDD, transaction monitoring, and record-keeping for accountable institutions. A thorough update of LI 1987 to fully incorporate Act 1044's expanded scope, including digital assets and revised DNFBP categories, has yet to be completed.

¹³⁶ Ghana, Ministry of Finance (2022, October)

Real Estate Agency Act, 2020 (Act 1047)

Act 1047 establishes the Real Estate Agency Council (REAC) as the licensing and regulatory body for real estate professionals. Section 60 states that Act 1047 should be read together with Act 1044, with Act 1044 taking precedence in the event of a conflict. Key AML relevant provisions include mandatory cashless payments for real estate transactions, the Real Estate Transaction Certificate (RETC) requirement before Lands Commission registration, and annual transaction reporting obligations. However, REAC's full operationalization remains incomplete.

Economic and Organized Crime Act 2010 (Act 804)

Act 804 establishes EOCO with powers to investigate, and with the approval of the Attorney-General, to prosecute serious offences, including money laundering. Section 24 empowers seizure of assets where there are reasonable grounds to suspect they are proceeds of a serious offence. LI 2183 (2012) guides EOCO's processes for freezing, seizing, and confiscating immovable properties. EOCO has demonstrated operational effectiveness in cross-border asset recovery, notably the 2022 to 2025 stolen vehicle recoveries and the Shatta Wale Lamborghini seizure, but its investigative mandate is triggered after crimes occur rather than upstream.

Office of the Special Prosecutor Act 2017 (Act 959)

Act 959 establishes the OSP with a fourfold mandate: investigating corruption and related offenses involving public officers and PEPs; prosecuting offenders; recovering illicit assets; and preventing corruption. The Agyapa case study highlights the OSP's vital role in identifying IFF-facilitation structures embedded in government transactions and also shows the OSP's limitations when prosecutorial capacity and political complexity intersect. The OSP's mandate explicitly includes private persons involved in corruption with public officers, making it directly relevant to professional enablers who act as transactional advisors to the government.

Securities Industry Act, 2016 (Act 929):

Act 929 establishes the Securities and Exchange Commission (SEC) to oversee securities regulation, including REITs and investment schemes. The Act incorporates AML controls for securities industry entities. The Agyapa transaction would have fallen within the SEC's regulatory scope through the Ghana Stock Exchange listing component, underscoring the need for strong SEC-FIC coordination to assess IFF risks in securities transactions involving government assets.

Companies Act 2019 (Act 992)

Act 992 established one of Africa's most comprehensive beneficial ownership frameworks. Disclosure thresholds are set at 5% for high-risk sectors such as real estate, extractives, and financial services, and 20% for other sectors. All PEPs, Ghanaian or foreign, must disclose regardless of ownership percentage. The Office of the Registrar of Companies (ORC) maintains the Central Beneficial Ownership Register. An October 2025 ORC directive required all non-compliant companies to file BO information by October 30, 2025, with sanctions taking effect on November 1, 2025.

Critical gap: Act 992's BO requirements do not extend to trusts as legal arrangements, meaning that trust structures, the most complex and concealment-capable legal form, remain outside Ghana's BO transparency framework.

Gold Board Act, 2025 (Act 1140)

Enacted in 2025, Act 1140 establishes the Ghana Gold Board, centralizing the licensing, buying, assaying, and exporting of gold and other precious minerals. This removes the opaque professional intermediaries who historically exploited weak oversight in the supply chain to facilitate IFFs. The Act invalidates prior export licenses, mandates official receipts for all licensed buyers, and aligns the Gold Board's functions with Ghana's anti-smuggling task force. Act 1140 represents the most significant structural reform in Ghana's landscape for the professionalisation of the precious minerals sector since Act 1044.



18 | INSTITUTIONAL FRAMEWORK

The Financial Intelligence Centre (FIC)

The FIC is Ghana's primary financial intelligence unit and the principal supervisor of DNFBPs under Act 1044. It receives and analyses STRs via the goAML platform, conducts DNFBP compliance inspections, and issues AML/CFT guidance. By the end of 2023, approximately 647 entities across all regulated sectors had registered on goAML. The FIC also coordinates with international partners through the Egmont Group of FIUs. However, the FIC's capacity to conduct substantive inspections across Ghana's large and diverse DNFBP sector is constrained by limited human and financial resources.

Sector-Specific Oversight Bodies

Profession	Primary Regulator / Professional Body	Key Legislation
Legal Practitioners	General Legal Council and Ghana Bar Association	Legal Profession Act 1960 (Act 32); L.I. 2423 (2020)
Accountants	Institute of Chartered Accountants Ghana (ICAG)	Chartered Accountants Act 1963 (Act 170)
Real Estate Agents/Brokers	Real Estate Agency Council (REAC)	Real Estate Agency Act 2020 (Act 1047)
Auto Dealers	GRA AML Unit (supervisory support); FIC	Act 1044 (DNFBP designation)
Gold/Precious Minerals	Ghana Gold Board; FIC; GRA	Gold Board Act 2025 (Act 1140); Act 1044
TCSPs	FIC (primary supervisor)	Act 1044; Act 992; no dedicated licensing law
Virtual Asset Providers	Bank of Ghana; SEC; FIC	FATF Rec. 15; No dedicated VASP law enacted
Companies/BO Registration	Office of the Registrar of Companies (ORC)	Companies Act 2019 (Act 992)

Key Oversight Challenges

- ▶ The Legal Profession Act (Act 32) provisions for disciplining errant lawyers (Sections 16–25) and the GBA's Disciplinary Committee do not explicitly address AML/CFT compliance failures as disciplinary grounds, creating ambiguity about whether an STR filing failure constitutes professional misconduct.
- ▶ ICAG's disciplinary procedures (Sections 16–17 of Act 170) similarly lack explicit AML/CFT integration.
- ▶ REAC is a newly established body with limited inspection capacity relative to the size and informality of Ghana's real estate market.
- ▶ No dedicated licensing or supervisory regime exists for TCSPs operating outside regulated professions.

- Virtual asset service providers currently operate in a regulatory grey zone; the Bank of Ghana has issued cautions, but no comprehensive VASP licensing framework has been enacted.



19 | CASE STUDIES OF PROFESSIONAL ENABLEMENT IN GHANA

The following two case studies are drawn from documented, publicly reported, and legally substantiated incidents directly involving Ghanaian professionals enabling IFFs. Each illustrates different enablement types: a banker at a global financial institution and an offshore transaction structure for a government and together show the range from individual corruption to systemic vulnerability.

CASE STUDY 1: THE BANKER AS ENABLER: UNITED STATES v. ASANTE KWAKU BERKO. Goldman Sachs Executive, Ghanaian Government Officials, and a Turkish Energy Deal, 2014–2024.

Background and Context: Asante Kwaku Berko, a dual U.S. and Ghanaian citizen, served as an Executive Director at Goldman Sachs Group's London office. His position gave him direct access to the design and execution of deal structures and international payment flows, precisely the expertise that professional enablers deploy in facilitating illicit financial movements. The U.S. Department of Justice indicted Berko in July 2024 on charges of Foreign Corrupt Practices Act (FCPA) violations and money laundering, following his extradition from the United Kingdom to the United States.¹³⁷ On August 7, 2026, Berko was found guilty by a federal jury in Brooklyn and faces up to 30 years in prison, with sentencing pending.

The Scheme: Between December 2014 and March 2017, Berko conspired with co-conspirators to pay hundreds of thousands of dollars in bribes to Ghanaian government officials in support of a bid by a Turkish energy company to build and operate a power plant in Ghana. In April 2015, Ghanaian officials were taken on a trip to Turkey, ostensibly to evaluate equipment, with each receiving USD 5,000. Email evidence disclosed by the U.S. Department of Justice showed the execution of covert bribe payments, including USD 20,000 to individuals referred to in communications as 'MoP Girls' within Ghana's Ministry of Power. The U.S. indictment shows that Berko used the U.S. banking system to process these bribe payments.

Financial Architecture: The SEC previously found that Berko misled Goldman Sachs' compliance staff, arranged for intermediaries to receive and transfer funds exceeding USD 2.5 million, and personally paid over USD 60,000 to parliamentarians and other officials. As a professional with global banking access, Berko structured, financed, and concealed illegal payments through financial intermediaries, deploying the precise skills that legitimate investment banking confers, in service of a criminal bribery and money laundering scheme spanning multiple jurisdictions.

Relevant Legal Frameworks Engaged: The FCPA prohibits U.S. citizens and others from offering bribes to obtain or retain business and mandates accurate internal accounting records. Money laundering laws in the U.S., the UK, and Ghana criminalise schemes to disguise or move proceeds of illegal activities through financial systems. Under Act 1044, any professional who conducts CDD and detects suspicious activity is required to file an STR. Goldman Sachs' own compliance staff were allegedly misled, a

¹³⁷ OECD (2014), Illicit Financial Flows from Developing Countries: Measuring OECD Responses, OECD Publishing.

deliberate exploitation of the internal compliance infrastructure designed to prevent exactly this type of scheme.

IFF Dimensions and Lessons for Ghana: The Berko case demonstrates several structural vulnerabilities in Ghana's professional enablement landscape. First, it shows that IFF enablement by professionals does not require that the professional be a small or informal actor; it can originate from within a globally systemically important financial institution. Second, it illustrates the cross-jurisdictional dimension of professional enablement: the bribery scheme was designed in London, executed via U.S. financial channels, and had its intended effect in Accra. Ghana's domestic AML/CFT framework cannot, on its own, detect or prevent such schemes without robust international cooperation mechanisms. Third, it underscores the specific vulnerability created when professionals, equipped with legitimate expertise and institutional access, deliberately deploy those assets in the service of corrupt transactions.

If a Goldman Sachs executive can route bribe payments through the U.S. banking system to Ghanaian officials for over three years without detection in the U.S., what does that tell us about the capacity of Ghana's current AML/CFT framework to identify and disrupt professional enablement within the formal financial sector?

CASE STUDY 2: THE STRUCTURE AS ENABLER: THE AGYAPA ROYALTIES TRANSACTION. Ghana Gold Royalties, a Jersey Offshore Vehicle, and the Architecture of Potential IFF Risk, 2020–2025

Background and Context: In August 2020, the Government of Ghana proposed to monetise its future gold royalties from 16 mining leases by assigning the revenue stream to a special purpose vehicle, Agyapa Royalties Limited (ARL), incorporated in Jersey, one of the world's most prominent secrecy jurisdictions. The plan involved listing 49% of ARL's shares on the London Stock Exchange (and the Ghana Stock Exchange), with the government retaining 51%, in exchange for a capital raise of at least USD 500 million. The deal was structured by the Ministry of Finance and approved by Parliament on August 14, 2020, without full public disclosure of its terms.¹³⁸

The Corruption Risk Assessment: In November 2020, Ghana's first Special Prosecutor, Martin A.B.K. Amidu, published a 64-page Corruption Risk Assessment of the Agyapa transaction. The OSP's assessment identified numerous instances and possibilities of corruption, including a significant lack of transparency and accountability throughout the approval process; evidence of manipulation of procurement processes by the Ministry of Finance to favour selected transaction advisors; and opaque fee arrangements in the Mandate Agreement with advisors that could lead to corruption-related offences. Most critically for IFF purposes, the OSP highlighted that the deal created the necessary opportunities to facilitate illegal financial flows and money laundering, describing the structure as 'a poisoned tree that cannot be redeemed.'¹³⁹

The Role of Professional Enablers: The Agyapa transaction illustrates professional enablement at the structural, rather than the individual, level. The transaction required teams of lawyers to incorporate ARL in Jersey, design the SPV arrangements, draft the Mandate Agreements, and advise on the London Stock Exchange listing process. It required investment bankers to value Ghana's gold royalty stream, a valuation that CSOs and NRGi argued was significantly undervalued. It required financial advisors

¹³⁸ Noah Arshinoff, Jane Humphreys, and Marc Tasse (2022). Global Finance and the Enablers of Corruption.

¹³⁹ African Union. (2015). Assembly Special Declaration on Illicit Financial Flows. Doc. Assembly/AU/17(XXIV). https://au.int/sites/default/files/documents/29831-doc-assembly_declaration_on_illicit_financial_flow_-_english.pdf.

(Imara Corporate Finance and Databank) to manage the transaction mandate. And it required accountants to certify the financial projections on which the USD 500 million capital raise was premised.¹⁴⁰ The OSP found that the procurement of these advisors itself breached legal requirements, suggesting that the advisory appointments may have been designed to facilitate, rather than prevent, corrupt flows.

Offshore Architecture and IFF Risk: The choice of Jersey as ARL's jurisdiction of incorporation is analytically significant. Jersey is a Crown Dependency of the UK with a long history as a secrecy jurisdiction for offshore financial structures. Unlike Ghana's domestic corporate environment, where Act 992 mandates beneficial ownership disclosure, Jersey's beneficial ownership regime has been criticized for restricted public access. Transparency International argued that the deal would serve corrupt interests rather than the people of Ghana and, together with the Ghana Integrity Initiative and the Ghana Anti-Corruption Coalition, brought the matter before the ECOWAS Court of Justice.¹⁴¹ Civil society organisations further noted that USD 12 million had already been paid to advisors and for setup costs before the deal was suspended, funds for which accountability in their disbursement remains contested.¹⁴²

Outcome and Ongoing Legacy: Following the OSP's assessment, President Akufo Addo directed the Ministry of Finance to review and return the transaction documents to Parliament. The deal stalled in the lead-up to the December 2020 elections. Despite signals of potential revival in the 2022 budget presentation, the OSP investigation into MIIIF related activities continues as of 2025, with investigations into the disposition of the USD 12 million in advisory and setup costs ongoing.¹⁴³ No criminal prosecutions had been concluded in relation to the Agyapa deal by the time of this report's preparation.

Lessons for Ghana's Professional Enabler Framework: The Agyapa case illustrates a critically distinct IFF typology from the Berko case: here, professional enablers were not rogue actors operating outside institutional oversight; they were the institutional advisory infrastructure of the state's own transaction. This raises the most difficult question in the regulation of professional enablement: how does a regulatory framework identify and respond to IFF facilitation when the enablers are embedded in and engaged by the government's own financial architecture? Ghana's professional oversight bodies, the Ghana Bar Association, ICAG, and the Ghana Stock Exchange, have no institutionalised mechanism to conduct ex-ante IFF risk assessments of government transactions in which their members serve as advisors.

The Agyapa transaction demonstrates that the most sophisticated and potentially consequential professional enablement of IFFs in Ghana may not occur in the informal economy, it may occur at the highest levels of government finance, executed by the country's most credentialed legal, financial, and advisory professionals.

¹⁴⁰ US Department of Justice. (July 16, 2024). Former Banker Charged with Bribing Ghanaian Officials Extradited to the United States from the United Kingdom. Eastern District of New York. Retrieved from <https://www.justice.gov/usao-edny/pr/former-banker-charged-bribing-ghanaian-officials-extradited-united-states-united>

¹⁴¹ Office of the Special Prosecutor (OSP). (November 2020). Corruption Risk and Anti-Corruption Assessment: Agyapa Royalties Transactions. Accra: OSP. 64pp.

¹⁴² OSP. (2020). Ibid. Retrieved via OSP Impact page: https://osp.gov.gh/media_center/impact

¹⁴³ Natural Resource Governance Institute (NRGI). (2020). Demystifying Ghana's Agyapa Royalties Deal. Retrieved from

20 | INITIATIVES TO REGULATE PROFESSIONAL ENABLERS

Ghana has substantially strengthened its AML/CFT framework since 2020. The following initiatives represent the most significant recent regulatory developments:

National AML/CFT/CPF Policy and Action Plan (2025–2029)

Ghana's National AML/CFT/CPF Policy and Action Plan (2025–2029) outlines strategic goals, assigns responsibilities to DNFBP supervisors, and calls for the development of risk-based supervision manuals and sector guidelines, as well as administrative sanctions to strengthen compliance incentives. It specifically targets DNFBPs, including real estate, auto dealers, and legal professionals, as priorities for improving compliance and strengthening supervision, directly addressing the gaps identified in the 2024 NRA.

2024 National Risk Assessment

Ghana completed its most comprehensive NRA to date in 2024, rating real estate, extractives, and trust services as high risk. The assessment conducted using the World Bank Tool across 13 working groups provides the evidence base for Ghana's preparation for the Third Round of the FATF. Its explicit identification of DNFBP STR filing rates as critically deficient creates the accountability foundation for mandatory compliance improvements.

Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs) Risk Assessment

Ghana completed its VA/VASP risk assessment in 2024, reinforcing alignment with FATF Recommendation 15. A National Cryptocurrency Task Force was established, comprising EOCO, NIB, Ghana Police Service, NACOC, OSP, FIC, Bank of Ghana, SEC, GRA, A.G, and the Cyber Security Authority, with a mandate to investigate, trace, seize, and confiscate criminal virtual assets. This is significant: as FATF's June 2025 Targeted Update on VA/VASPs confirmed, professional enablers, including lawyers and accountants who assist with VA structuring, represent an emerging frontier in digital financial crime enablement.¹⁴⁴

Environmental and Natural Resource Crime Risk Assessment

Ghana completed its first sector risk assessment on environmental and natural resource (E&NR) crimes related to ML/TF. E&NR crimes account for about 64% of the proceeds from illicit and organized crime worldwide.¹⁴⁵ The assessment classified mining and extraction crimes as HIGH-threat, directly linked to the professional facilitation of illicit gold trading and export misinvoicing, which together account for a large share of Ghana's USD 54.1 billion in trade-related IFF losses.

¹⁴⁴ Transparency International. (2022). Controversial Ghana Agyapa deal goes to regional ECOWAS Court. Retrieved from

¹⁴⁵ The Herald Ghana. (2025, December). Attempts to cover up US\$12 million Agyapa Royalties rot exposed. Retrieved from <https://theheraldghana.com/attempts-to-cover-up-us12-million-agyapa-royalties-rot-exposed/>

Ghana Gold Board Act, 2025 (Act 1140)

Act 1140 is the most significant structural reform to Ghana's precious minerals professional framework since Act 1044. By centralizing gold and precious minerals licensing, buying, assaying, and export under the Ghana Gold Board, it removes the opacity caused by multiple private professional intermediaries with inconsistent oversight. The mandatory official receipt requirement and alignment with the anti-smuggling task force establish an accountability chain that was completely absent in the pre-2025 framework.

Capacity Building for DNFBPs

FIC and the GRA AML Unit, in collaboration with partners including GIZ, continue to deliver sector-specific capacity-building programs for DNFBP categories. Recent sessions have targeted second-hand car dealers, accountants, lawyers, real estate professionals, gaming operators, and precious minerals dealers, focusing on AML awareness, Act 1044 obligations, money laundering typologies, and STR filing procedures.^{146 147}

Strengthened International Collaborations

Ghana has strengthened operational collaboration with INTERPOL, the FBI, and the RCMP, primarily through EOCO's efforts in vehicle trafficking and asset recovery. EOCO's recovery of over 100 stolen luxury vehicles shipped into Ghana through suspicious means and its execution of FBI/DOJ asset recovery requests (such as the Lamborghini Urus case) demonstrate the effectiveness of international cooperation when supported by strong domestic legal frameworks.¹⁴⁸

¹⁴⁶ OSP. (2025). Ongoing MIIF/Agyapa investigations — impact page. Retrieved from https://osp.gov.gh/media_center/impact; *The Herald Ghana* (2025, November). *OSP caught in another skewed investigation at MIIF*. Retrieved from <https://theheraldghana.com/osp-caught-in-another-skewed-investigation-at-miif/>

¹⁴⁷ FATF. (June 2025). Sixth Targeted Update on the Global Implementation of the FATF Standards on Virtual Assets and VASPs. Paris: FATF. Retrieved from <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/targeted-update-virtual-assets-vasps-2025.html>

¹⁴⁸ Nellemann, C. et al. (Eds). (2018). World Atlas of Illicit Financial Flows. RHIPTO. Retrieved from <https://www.rhipto.org/publications>

21 | CHALLENGES/LEGISLATIVE GAPS IN REGULATING PROFESSIONAL ENABLERS

Despite significant legislative progress, the following gaps remain material obstacles to effective regulation of professional enablers of IFFs in Ghana:

CHALLENGES/LEGISLATIVE GAPS

Gap 1: The Compliance Culture Gap

Ghana's FIC recorded only 2 STRs from all DNFBP categories combined between 2016 and 2019. Despite Act 1044's mandatory STR obligation (Section 38), the professional sectors most likely to encounter IFF enabling transactions, lawyers, accountants, real estate agents, and auto dealers file reports at a rate approaching zero. This is not a legal gap; it is a failure of compliance culture and enforcement that renders Act 1044's gatekeeper provisions functionally inoperative.

Gap 2: No Dedicated TCSP Licensing and Supervision Regime

Ghana lacks a modern licensing regime for independent trust and company service providers. The Public Trustees Act (Act 24, 1952) and the Trustees (Incorporation) Act (Act 106, 1962) are limited in scope and impose no BO disclosure obligations. Act 992's BO requirements do not extend to trusts. This creates a supervision blind spot for precisely the entity type: trusts, most frequently exploited in complex cross-border IFF structures.

Gap 3: Non-Domestication of UNCAC, AUCPCC, and ECOWAS Protocol

Ghana has ratified UNCAC, AUCPCC, and the ECOWAS Protocol on Corruption, but has not domesticated any of them into national law. As a dualist state, Ghana's international commitments are unenforceable domestically until domesticated. This means that the internationally mandated asset recovery, mutual legal assistance, and cross-border enforcement provisions of these conventions cannot be directly invoked in Ghanaian courts.

Gap 4: AML/CFT Not Integrated into Professional Disciplinary Frameworks

The Legal Profession Act (Act 32), the GBA Constitution, and the Chartered Accountants Act (Act 170) do not explicitly designate AML/CFT compliance failures as grounds for professional disciplinary action. This means that a lawyer or accountant who willfully fails to file an STR, conducts inadequate CDD, or provides professional cover for a money laundering scheme may face AML criminal liability under Act 1044 but not professional disciplinary consequences, creating a structural disincentive against treating AML compliance as a core professional obligation.

Gap 5: Inadequate Funding and Capacity for DNFBP Supervisory Bodies

Ghana's multi-pronged supervisory approach is structurally underfunded. FIC, REAC, EOCO, OSP, and the GRA AML Unit collectively carry out extensive AML/CFT supervisory mandates across a large, rapidly growing, and significantly informal economy. Their budgets and staffing levels are not commensurate with these responsibilities. This creates a supervision gap that professional enablers can readily identify and exploit.

Gap 6: High Cash Intensity and Informal Economy Undermining CDD Effectiveness

A large proportion of Ghana's economy, particularly in real estate, second-hand auto trading, gold buying, and small business services, operates through informal, cash-based transactions. This high informality structurally limits the effectiveness of CDD and record-keeping. STR requirements: a professional enabler who facilitates a cash transaction without documentation faces no paper trail that could trigger regulatory scrutiny. The parties may have no formal business relationship that triggers DNFBP obligations.

Gap 7: No Mechanism for Ex Ante IFF Risk Assessment of Government Transactions

The Agyapa case exposed a gap with no obvious legal remedy in Ghana's current framework: a major government transaction structuring Ghana's sovereign gold revenue into an offshore vehicle, designed and facilitated by professional advisors, proceeded to Parliament without any ex ante IFF risk assessment by a body independent of the government. The OSP's corruption risk assessment was retroactive and triggered only by civil society pressure, not by any systematic pre-transaction screening obligation.



22 | RECOMMENDATIONS TO STRENGTHEN THE FIGHT AGAINST PROFESSIONAL ENABLERS

1. The FIC should implement a joint sector-by-sector STR compliance campaign with mandatory professional association partnerships. Annual STR statistics, disaggregated by DNFBP sector, should be published to promote accountability. Administrative sanctions, including license suspensions for REAC, ICAG, and GBA members, should be explicitly linked to failure to comply with STR. The FIC should establish sector-specific STR minimum baseline targets and publish annual compliance league tables.
2. Ghana should enact a dedicated TCSP Licensing and Regulation Act, establishing mandatory licensing with fit-and-proper criteria; AML/CFT compliance obligations, including CDD, STR, and record-keeping; extension of Act 992's BO transparency requirements to all trust arrangements administered in Ghana; FIC supervisory oversight with inspection powers; and administrative and criminal sanctions for unlicensed TCSP activity.
3. The Ministry of Justice and Attorney-General should prioritize domestication legislation for UNCAC, AUCPCC, and the ECOWAS Protocol, through a comprehensive anti-corruption domestication bill. This bill should explicitly incorporate UNCAC's Chapter V asset-recovery provisions, AUCPCC's illicit-enrichment provisions, and the enforcement mechanisms of the ECOWAS Protocol into Ghana's domestic criminal framework.
4. The GBA, ICAG, and other relevant professional bodies should, in consultation with the FIC and the Ministry of Justice, amend their disciplinary rules to explicitly designate wilful AML/CFT non-compliance as a ground for professional misconduct proceedings. A precedent-setting disciplinary case against a professional found to have wilfully failed to meet AML obligations would have a disproportionate deterrent effect on the professional community.
5. The Government of Ghana should establish a dedicated AML/CFT supervisory capacity fund, with mandatory annual appropriations indexed to Ghana's GDP growth. Supervisory fees levied on DNFBP licensees should contribute to the fund. External technical assistance from GIABA, FATF, the World Bank, GIZ, and bilateral partners (including the UK and Canada) should be systematically leveraged to supplement domestic capacity.
6. Ghana should: (i) extend cashless payment mandates beyond real estate (where Act 1047 already mandates cashless transactions above a threshold) to cover all commercial transactions in DNFBP sectors above a defined value; (ii) expand the scope of Act 1047's RETC mechanism to serve as a template for other high-risk sectors; and (iii) invest in financial inclusion infrastructure to bring informal sector participants into the formal financial system, reducing the structural conditions that enable cash-based IFF facilitation.
7. Ghana should establish an Ex Ante Corruption and IFF Risk Assessment Mechanism for major government financial transactions above a defined threshold. This mechanism, potentially vested in the OSP or an independent advisory panel including FIC representation, should be constitutionally mandated to produce a public risk assessment of any proposed government transaction involving offshore vehicles, SPVs, or complex cross-border financial structures before parliamentary approval. This would institutionalise the OSP's corrective role, retroactively applied in the Agyapa case.

23 | CONCLUSION.

Ghana's efforts to regulate professional enablers of illicit financial flows show a genuine and commendable path of legal and institutional growth. From Act 1044 to Act 1140, from the 2024 NRA to the National Cryptocurrency Task Force, Ghana has demonstrated an understanding of the issue and a willingness to build regulatory systems to tackle it. The country's removal from the FATF grey list in 2021 was not just symbolic; it reflected a real commitment to the standards that international cooperation in fighting IFFs requires.

But the legislative framework is not the issue. The real problem is the gap between what the law demands and what professionals in Ghana's legal, financial, real estate, and advisory sectors actually do. Two suspicious transaction reports from all DNFBP categories between 2016 and 2019 are not compliance records; they are compliance fiction. A USD 12 million government transaction structured through a Jersey offshore vehicle, designed by credentialed advisors, that required the OSP's retroactive intervention to reveal its IFF risk is not a failure of law; it is a failure of professional accountability. An indicted banker at a global institution who routed bribe payments through the US financial system to Ghanaian officials for three years without detection in the US is not a failure of regulation; it is a failure of the culture that regulation is supposed to foster.

The seven gaps and recommendations in this report, ranging from TCSP licensing to ex ante IFF risk assessment for government transactions, are technically feasible. Support for combating illicit financial flows in Ghana won't end simply because a law was enacted. It will only end, if at all, if lawyers, accountants, bankers, real estate agents, and gold dealers in Ghana see their AML obligations as more than regulatory requirements; they see them as a matter of professional honor.

Regulation sets the floor. Integrity builds the ceiling. Ghana has the laws; now it needs the culture.



PART FOUR

CROSS-CUTTING PERSPECTIVES

24 | EMERGING AND MODERN PERSPECTIVES ON PROFESSIONAL ENABLERS ACROSS UGANDA, KENYA AND GHANA

The professional enablement of IFFs is not a static phenomenon. It evolves continuously in response to regulatory pressure, technological innovation, and the shifting boundaries of the global financial system. The following emerging perspectives are reshaping the regulatory frontier across Uganda, Kenya, and Ghana alike, and must inform each country's forward-looking policy response.

AI-Enabled Enablement: The New Frontier

WHERE THE GAPS RECUR ACROSS ALL THREE JURISDICTIONS



Supervision is thin outside the banking sector



Reporting by professionals is minimal or absent



Licensing regimes for TCSPs are incomplete



Enforcement lags behind legislative ambition

Closing the compliance gap depends less on writing new law than on resourcing supervision.

Generative artificial intelligence has fundamentally altered the professional enablement landscape. Criminals are increasingly using generative AI to automate illicit processes: building shell companies, generating forged documents, manipulating identities, and designing advanced smurfing schemes at scale. Synthetic identity fraud, in which AI generates highly convincing false identity profiles, resulted in losses exceeding USD 6 billion globally in 2024. For Uganda's, Kenya's, and Ghana's professional enablement frameworks alike, this poses an acute shared challenge: AI tools can now perform, at speed and scale, the routine compliance work — document verification, identity checking, corporate structure mapping — that human professionals carry out, but they can equally be turned against that same compliance apparatus.

Conversely, AI offers substantial opportunities for AML compliance. AI-powered transaction monitoring detects complex patterns that are invisible to rule-based systems, reduces false positives, adapts automatically to emerging money-laundering typologies, and processes data volumes that no human compliance team could match. For Uganda's Financial Intelligence Authority, Kenya's Financial Reporting Centre and CMA, and Ghana's FIC, EOCO, and DNFBP supervisory bodies, all of which face broadly similar capacity constraints, AI-assisted RegTech and SupTech solutions offer a potential multiplier effect on limited inspection and monitoring resources. The global RegTech market is estimated to reach USD 6.8 billion by 2028, with a 17% CAGR.

- ▶ Uganda, Kenya, and Ghana should each develop a national SupTech strategy for their respective financial intelligence units and DNFBP supervisors, using AI tools for risk-based selection and monitoring.
- ▶ Virtual-asset risk assessments in all three jurisdictions should explicitly include AI-facilitated laundering typologies as a distinct risk category.
- ▶ Professional bodies across the three countries, the Uganda Law Society and ICPAU, the Law Society of Kenya and ICPAK, and Ghana's GBA and ICAG, should incorporate AI-enabled compliance failures into their AML/CFT training and CPD requirements.

Virtual Assets: Professional Enablers in the Digital Economy

Virtual assets have moved from the margins to the mainstream of IFF enablement. FATF's June 2025 Targeted Update confirmed that wallets linked to illicit activity handled over USD 50 billion in 2024 and that stablecoins and decentralised finance platforms are now priority risk areas. The three jurisdictions sit at markedly different points on the regulatory maturity curve. Kenya is furthest along: its Virtual Asset Service Providers Act, 2025 came into effect in November 2025, splitting supervision between the Central Bank of Kenya (payments, custody, stablecoins) and the Capital Markets Authority (exchanges and trading platforms), a move, in part, in response to Kenya's own FATF grey-list status. Uganda's position is more ambivalent: the Bank of Uganda has been openly critical of private cryptocurrencies; a 2023 High Court ruling constrained their use for payments; and the country is pursuing tokenisation projects and a central bank digital currency pilot, leaving retail crypto activity in a regulatory grey area. Ghana sits furthest behind in legislation: mobile money penetration is among the highest in Africa, and the intersection of mobile financial platforms with informal economy flows creates domestic digital IFF channels that Act 1044's existing framework does not adequately address, while a binding VASP licensing regime remains undeveloped.

Professional enablers in the VA context look similar across all three countries: lawyers who advise clients on structuring VA holdings through corporate vehicles; accountants who certify VA-denominated transactions; and VASP operators who facilitate cross-border VA transfers without adequate CDD. Ghana's National Cryptocurrency Task Force has the mandate to investigate these flows, but without Kenya's legislative footing, enforcement options remain limited. Uganda faces a comparable enforcement gap as its CBDC pilot matures.

- ▶ Ghana and Uganda should study Kenya's CBK/CMA supervisory split as a template for allocating VASP licensing responsibility rather than creating a new standalone regulator.
- ▶ All three countries' national risk assessments should track VA-enabled IFF exposure through mobile-money-adjacent channels, not only through formal exchanges.

ESG, Climate Finance, and Emerging IFF Channels

AML frameworks worldwide are increasingly incorporating ESG risk, treating environmental crime, human rights abuses, and forced labour as predicate offences linked to money-laundering proceeds. This is directly relevant to all three countries, each via a different extractives or resource channel: Ghana's environmental and natural resource crime risk assessment rated environmental crime as a high threat, with legal, financial, and mining-advisory professionals often serving both legitimate and illegal

actors in the gold value chain; Uganda's oil sector, centred on the Lake Albert fields and the East African Crude Oil Pipeline, presents a comparable emerging exposure as capital flows into extraction and transport infrastructure scale up; and Kenya's exposure runs through environmental crimes such as illegal wildlife trafficking, charcoal production, and sand harvesting, which rely on many of the same laundering and enabling structures used elsewhere in the report. As green finance, carbon markets, and climate-fund flows grow across all three financial systems, professional enablers in each will find new opportunities to exploit the opacity of emerging financial instruments.

FATF Mutual Evaluations and Personal Liability for Compliance Failures

FATF's Mutual Evaluations assess DNFBPs separately from financial institutions, focus explicitly on effectiveness rather than technical compliance, and operate on a six-year cycle with results-driven accountability. The three countries currently sit at different points in that cycle and are evaluated by different FATF-style regional bodies: Ghana, evaluated under GIABA, exited the FATF grey list in 2021; Uganda, evaluated under ESAAMLG, was delisted in 2025; Kenya, also under ESAAMLG, was placed on the grey list in February 2024 and remains under increased monitoring as of the most recent 2026 plenary. A notable emerging global trend cuts across all three, regardless of grey-list status: the shift towards personal accountability for senior professionals and compliance officers in AML failure cases, with regulators in the UK, US, EU, and Singapore increasingly imposing personal liability on compliance officers and senior executives. Each country should anticipate that its next Mutual Evaluation will scrutinise whether professional enablers are genuinely applying their AML obligations, not merely whether the law requires them to do so; the gap between the two is precisely where each jurisdiction's current compliance shortfall lies, with Kenya's most acute given its active grey-list status.



25 | GENERAL CONCLUSION

Across Uganda, Kenya, and Ghana, professional enablement is not a peripheral risk to the fight against illicit financial flows; it is the mechanism through which most significant IFFs are executed. Lawyers, accountants, real estate agents, and trust and company service providers appear at the centre of nearly every case study examined in this report, regardless of jurisdiction, confirming that the gatekeeper problem is regional rather than country specific.

The three countries have made genuine, if uneven, progress. Ghana's Anti-Money Laundering Act, 2020, and its 2024 National Risk Assessment; Kenya's wide institutional frameworks spanning the FRC, CBK, CMA, and EACC; and Uganda's Financial Intelligence Authority and recent FATF delisting all demonstrate that legal and institutional reform is achievable. Yet the same structural gaps recur in each: DNFBPs remain under-supervised relative to banks; suspicious transaction reporting from professional sectors is minimal; licensing regimes for trust and company service providers are absent or incomplete; and enforcement capacity has not kept pace with legislative ambition. Kenya's continued presence on the FATF grey list is the clearest evidence that technical compliance on paper does not yet translate into effectiveness on the ground. This caution applies equally to Ghana and Uganda, even where formal grey-list status has been resolved.

The emerging risk landscape, encompassing AI-enabled fraud, virtual assets, trade-based laundering, and ESG-linked environmental crime, will widen rather than narrow this gap unless regulatory capacity is deliberately built in advance. Kenya's 2025 VASP Act illustrates what proactive legislation can look like; Uganda's and Ghana's comparatively undeveloped digital-asset frameworks illustrate the risk of falling behind.

THE REFORM AGENDA



Resource supervision of designated non-financial businesses and professions to the standard applied to banks.



Extend reporting obligations to the intermediaries who currently fall outside the DNFBP perimeter.



Establish dedicated licensing and supervision regimes for trusts and company service providers.



Hold professional enablers personally accountable, not only the criminals whose funds they move.



Build regulatory capacity for virtual assets and AI-enabled schemes in advance of the risk, not after it.

Taken together, the recommendations in this report point to one central conclusion: closing the compliance gap depends less on writing new law than on resourcing supervision, extending obligations to the intermediaries who currently fall outside the DNFBP perimeter, and holding professional enablers, not just the criminals they serve, accountable for their role in moving illicit capital across Uganda, Kenya, and Ghana.



GLOBAL FINANCIAL INTEGRITY

ABOUT GFI

Global Financial Integrity is a Washington, DC-based think tank producing analysis on illicit financial flows, corruption, illicit trade and money laundering. GFI works with governments, civil society and multilateral partners to curb the cross-border movement of illicit capital.

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