

**IN THE THIRD SESSION OF THE FIFTH  
PARLIAMENT OF THE FOURTH REPUBLIC**

**REPORT OF THE COMMITTEE**

**ON SUBSIDIARY LEGISLATION**

**ON**

**THE ANTI-MONEY LAUNDERING REGULATIONS, 2011  
(L.I 1987)**

**March, 2011**

## **1.0 INTRODUCTION**

The Anti-Money Laundering Regulations, 2011 (L.I 1987) was laid in the House on Wednesday, 23<sup>rd</sup> February, 2011 in accordance with Article 11(7) of the Constitution. Pursuant to Orders 77 (a) and 166 of the Standing Orders of the House, the Instrument was referred to the Committee on Subsidiary Legislation for consideration and report.

## **2.0 DELIBERATIONS**

The Committee met with the Acting Chief Executive Officer and Officials of the Financial Intelligence Centre (FIC) to discuss the Instrument. In attendance were Officials from the Ministry of Finance and Economic Planning and the Drafting Division of the Ministry of Justice and Attorney-General's Department to assist in the Committee's deliberations.

## **3.0 REFERENCE DOCUMENTS**

The Committee referred to the following documents during deliberations:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament; and
- iii. The Anti-Money Laundering Act, 2008 (Act 749).

## **4.0 BACKGROUND INFORMATION**

Criminal enterprises and terrorist financing operations succeed due to the ability of perpetrators to conceal the origins or sources of their funds by moving them through national and international financial systems. The absence of the relevant anti-money laundering regime in any particular country permits criminals and financiers of terrorism to operate. The proceeds realized from money laundering activities are mostly used to expand criminal pursuits and foster illegal activities such as corruption, drug peddling, illicit trafficking, arms trafficking and terrorism.

Money laundering and terrorist financing also have significant economic and social consequences especially for developing countries such as Ghana.

It was for the avoidance for these adverse implications of this illegal activity that the Anti-Money Laundering Act, 2008 (Act 749) was enacted to deal with money laundering and its related activities in the country.

However, for the FIC, the Agency responsible for the implementation of the anti-money laundering law in the country to give effect to the provisions of the Act, there was the need to come up with Regulations to ensure the realization of the Act.

The Anti-Money Laundering Regulations, 2011 (L.I 1987) was therefore laid in the House to ensure the realization of the objects of the Act.

## **5.0 OBSERVATIONS**

- 5.1 The Committee observed that appropriate provisions are made in the Instrument to augment the efforts of security agencies in combating crime and corruption. The application of a comprehensive legal framework would help prevent criminals and terrorists from operating in the country. The proposed Instrument provides ample measures to verify the identities of persons involved in money laundering and the detection of proceeds of unlawful activities. It also provides for the reporting of suspicious and unusual transactions by accountable institutions. Intelligence Reports emanating from reports by the Financial Intelligence Centre (FIC) on money laundering activities are expected to be forwarded to the security agencies for appropriate actions to combat crime as well as the maintenance of peace and security necessary for growth and development.
- 5.2 The Committee also observed that the coming into force of the proposed Instrument would promote economic growth by protecting businesses and customers. Sound application of anti-money laundering regime would significantly improve the confidence of both investors and consumers to enhance industrial growth. The Instrument provides comprehensive identification procedures for the detection of potential criminals and their unlawful activities to protect businesses and individuals against fictitious persons. This would further enhance the country's effort in attracting foreign direct investment to boost economic growth.

- 5.3 The Committee noted that the passage of the Instrument will improve Ghana's international rating on the fight against money laundering. An evaluation conducted by the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA) in 2009 revealed Ghana's poor rating in the implementation of the Financial Action Task Force's (FATF's) recommendations. The Instrument has incorporated all the recommendations made by the ECOWAS regional bodies. Provisions have been made to cater for the format for submitting Suspicious Transaction Reports (STRs) by Accountable Institutions (AIs).
- 5.4 The Committee also noted that by the coming into force of the Instrument, Ghana would qualify to apply for membership of the EGMONT Group, the international anti-money laundering body to speed up its anti-money laundering agenda. The Instrument mandates the Minister for Finance and Economic Planning to apply for membership in the EGMONT Group within three months after the coming into force of the Instrument. This would enable the country foster collaboration with Financial Intelligence Units (FIUs) of other countries to improve its performance in fighting money laundering.

## 6.0 RECOMMENDATION & CONCLUSION

The Committee is satisfied that the Instrument meets the requirements of the provisions of the Constitution and the Anti-Money Laundering Act, 2008 (Act 749).

The Committee therefore recommends to the House to adopt its Report on the Anti-Money Laundering Regulations, 2011 (L.I 1987) and allow it to come into force in accordance with Article 11(7) of the Constitution.

Respectfully submitted.

  
.....  
**HON. KWAME OSEI-PREMPEH**  
*Chairman, Committee on  
Subsidiary Legislation*

  
.....  
**ERIC OWUSU-MENSAH**  
*Clerk to the Committee*