GUIDANCE NOTE ON COUNTERING FINANCING OF TERRORISM TO AUTHORISED DEALERS WITH LIMITED AUTHORITY

FINANCIAL SURVEILLANCE DIVISION

2026



ABBREVEATION

ADLAs	Authorised Dealers With Limited Authority
CPF	Counter Proliferation Financing
MLPC	Money Laundering and Proceeds of Crime Act
PF	Proliferation Financing
AML	Anti-Money Laundering
CFT	Counter Financing of Terrorism
FSD	Financial Surveillance Division
LEAs	Law Enforcement Agency
CSAs	Competent Supervisory Authority
WMD	Weapons of Mass Destruction
NPFRA	National Proliferation Financing Risk Assessment
MTA	Money Transfer Agency
BDC	Bureau de Change
TF	Terrorism Financing
TFS	Targeted Financial Sanctions
UNSCRs	United Nations Security Council Resolutions
DPRK	Democratic People's Republic of Korea
CDD	Customer Due Diligence
KYC	Know Your Customer
STR	Suspicious Transactions Reports
FIU	Financial Intelligence Unit
SRA	Sectoral Risk Assessment

1. WHY THIS MATTERS

The Reserve Bank of Zimbabwe (RBZ), through the Financial Surveillance Division (FSD), reminds all Authorised Dealers with Limited Authority **(ADLAs)** to comply with Anti-Money Laundering, Counter Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) requirements under the Exchange Control Act [Chapter 22:05], the Money Laundering and Proceeds of Crime Act [Chapter 9:24], and all applicable regulatory directives.

Terrorist financing (TF) threatens the integrity and stability of Zimbabwe's financial system. Every ADLA has a responsibility to prevent its products and services from being used to facilitate terrorism.

1. WHAT IS TERRORIST FINANCING?

Terrorist financing is the collection, movement, or use of funds or assets, whether from legal or illegal sources, to support terrorist acts, organisations, or individuals. Unlike money laundering, terrorist financing may involve small transactions that appear legitimate.

2. 2024 National TF Risk Assessment Findings

Zimbabwe's overall terrorist financing threat was rated medium- low, with the main drivers being underground Money or Value Transfer Service (MVTS) providers, smuggling precious metals and stones and weak border controls. The country's terrorist financing transit risk vulnerability was assessed to be medium- high.

Money/ or Value Transfer Services (MVTS) in Zimbabwe were assessed as medium-low risk, with a terrorist financing (TF) vulnerability rating of medium-low and a TF threat rating of medium-low. The TF risk arose primarily from the high volume and speed of fund transfers to and from various jurisdictions.

Table: Summary of National TF risk

CATEGORY	RISK SCORE	TF RISK LEVEL
Domestic TF Risk	0.20	LOW
Outgoing TF Risk	0.39	MEDIUM LOW
Incoming TF Risk	0.40	MEDIUM LOW
Transit TF Risk	0.49	MEDIUM

3. 2026 Sectoral TF Risk Assessment Findings

Sectoral inherent risk factor was found to be Medium for the sector. The inherent risk was elevated by transactions characteristics which included repetitive small value transactions, cash-intensiveness of the sector, as well as cross-border (inbound and outbound from countries with known high- intensity conflict zones, terrorist hotspots and active terrorist networks) remittances, which included funds coming to and from high conflicted zones.

The assessment found that while most MVTS have established basic AML/CFT compliance frameworks, significant weaknesses remain in the understanding and management of terrorism financing risks. Key deficiencies include the absence of TF-specific risk assessments, inadequate TF-focused transaction monitoring and training, weak implementation of risk-based measures for high-risk customers, and insufficient independent reviews.

The overall residual risk for the MVTS sector was Low. In this regard, twenty-four (24) MVTS were rated low; sixteen (16) MVTS were rated medium low; and 2 non-bank MVTS were rated Medium. No Institutions were rated high risk.

4. KEY RED FLAG INDICATORS

(i) Customers unwilling to provide complete identification or transaction details;
(ii) Multiple low-value remittances structured to avoid monitoring;
(iii) Transfers involving high-risk jurisdictions or sanctioned persons;
(iv) Transactions inconsistent with the customer's profile;
(v) Customers acting on behalf of unidentified third parties;
(vi) Unusual transaction patterns without a legitimate business purpose.

5. ADLAS MUST:-

(i) Implement risk-based AML/CFT/CPF compliance programmes.
(ii) Conduct Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) where necessary.
(iii) Conduct Due Diligence for transactions linked to Non-Profit Organisations
(iv) Screen customers and transactions against applicable United Nations Security Council (UNSC) sanctions lists at onboarding, transaction level and on a period basis.
(v) Monitor transactions from jurisdictions with known high-intensity conflict zones, terrorist hotspots and active terrorist networks; and investigate suspicious transactions and activity.
(vi) Report Suspicious Transaction Reports (STRs) promptly to the Financial Intelligence Unit (FIU).
(vii) Maintain accurate records
(viii) Provide regular CFT training to staff.

6. CONSEQUENCES OF NON-COMPLIANCE

Failure to implement effective terrorist financing controls may result in regulatory sanctions, administrative penalties, licence restrictions, financial losses, and reputational damage.

7. REMEMBER...

Know Your Customer. Screen Against UNSCR Consolidated Sanctions Lists. Monitor Transactions. Report Suspicious Transactions and Activity Promptly.

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