



REPUBLIC OF BURUNDI

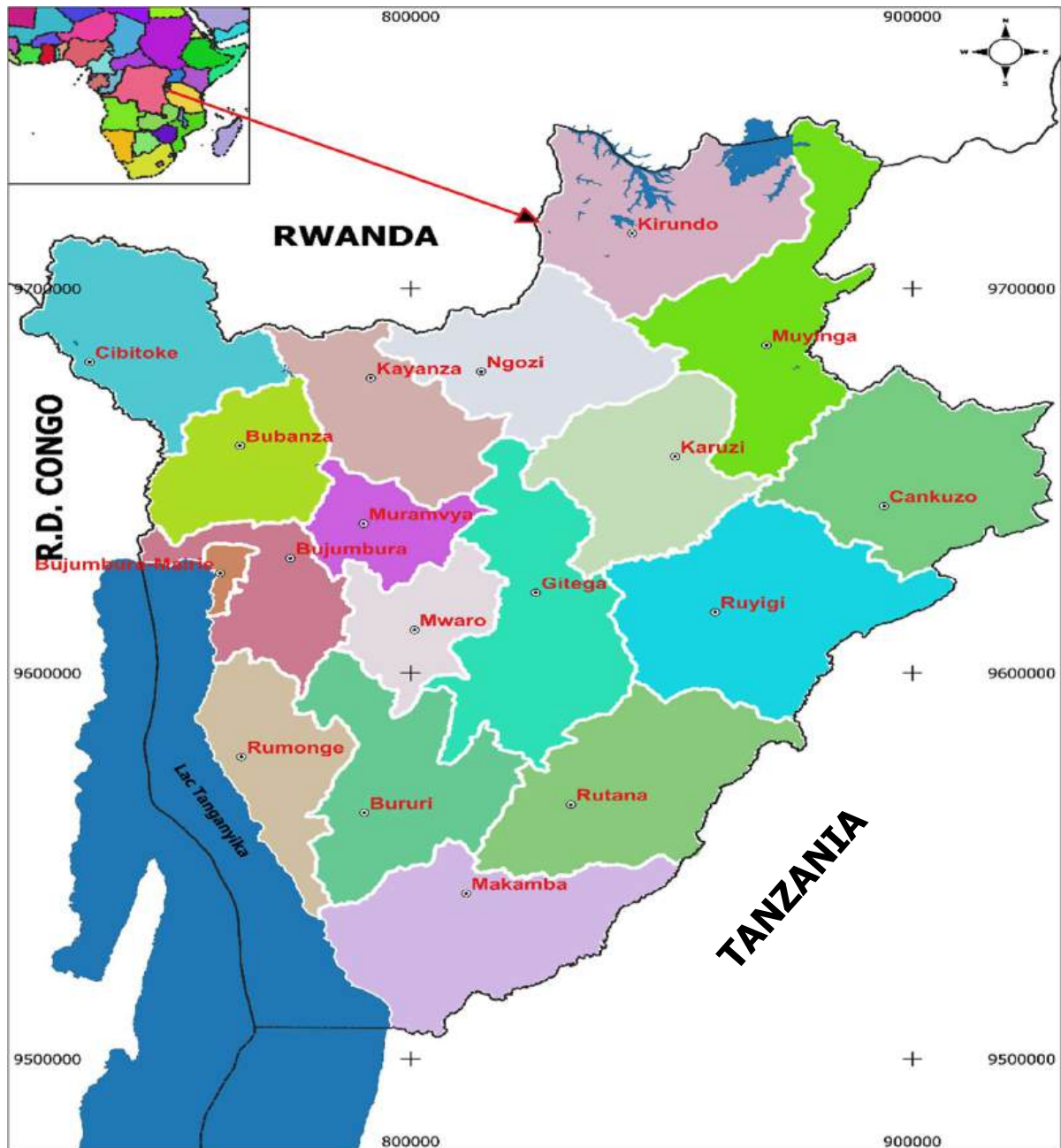


**MONEY LAUNDERING AND TERRORIST
FINANCING (ML/TF) NATIONAL RISK
ASSESSMENT REPORT**

Assessment period: 2021-2023

Edition 2024

3. Territorial Map of Burundi



DISCLAIMER

The National Risk Assessment (NRA) on Money Laundering and Terrorist Financing (ML/TF) for Burundi was conducted as a self-assessment by the authorities of Burundi, using the NRA tool on ML/TF developed and provided by the World Bank Group. The role of the World Bank Group project team was limited to providing the tool, offering guidance on its technical aspects, and conducting review/feedback to ensure its proper use. The data, statistics, and information used to complete the modules of the NRA tool on ML/TF, as well as the findings, interpretation, and judgment within the scope of the NRA on ML/TF, are entirely the responsibility of the authorities of Burundi and do not reflect the views of the World Bank Group.

LIST OF ABBREVIATIONS

ADB: Agence de Développement du Burundi (Burundi Development Agency)

ARCA: Agence de Régulation et de Contrôle des Assurances

BIF: Burundian Franc

BRB: Banque de la République du Burundi (Bank of the Republic of Burundi)

CPB: Code pénal burundais (Burundian Penal Code)

CNRF: Cellule Nationale du Renseignement Financier

FIU: Financial Intelligence Unit

ATM: Automated Teller Machine

STR: Suspicious Transaction Report)

ML: Money Laundering

NRA: National Risk Assessment

DNFBPs: Designated Non-Financial Businesses and Professions)

FDLR: Front Démocratique de Libération du Rwanda

TF: Terrorist Financing

GAFI: Financial Action Task Force

WG: Working Group

MFI: Microfinance Institutions

AM/CFT: Anti-Money Laundering and Counter-Financing of Terrorism

LONA: Loterie Nationale du Burundi (National Lottery of Burundi)

OBR: Office Burundais des Recettes (Burundi Revenue Authority)

NGO: Foreign Non-Governmental Organization

NPOs: Non-Profit Organizations

OPA: Order of Professional Accountants

PEP: Politically Exposed Person

DRC: Democratic Republic of the Congo

RIM: Réseau des Institutions de Microfinance (Network of Microfinance Institutions)

RNP: Régie Nationale des Postes (National Post Office)

USD: United States Dollar

WB: World Bank

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KEY FINDINGS

ANALYTICAL SUMMARY

I. CONTEXT

1. **Geographical and Political Context:** Burundi is located in the Great Lakes region and shares borders with three countries: the Democratic Republic of Congo (DRC) to the west, Rwanda to the north, and Tanzania to the east and south. It is a member of several regional organizations, including the African Union (AU), the East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA).
2. **Demographics and Geography:** Burundi has a land area of 27,834 km², with Bujumbura as its economic capital and Gitega¹ as its political capital, located in the centre of the country. With a population of 13.2 million (2023), of which 50.6% are women and 41.5% are under 15 years old, Burundi is one of the most densely populated countries, with a density ratio² of 442 inhabitants/km².
3. **Agriculture as the Backbone of the Economy:** Agriculture remains the dominant activity, employing approximately 95% of the active population, providing 95% of the food supply, and generating over 90% of foreign exchange earnings, primarily from cash crops such as coffee, tea, and cotton. According to the Second-Generation Poverty Reduction Strategy Framework (CSLP-II), agriculture and livestock contribute between 40% and 60% of GDP. However, this is largely subsistence farming, with 80% of production consumed domestically. Food crops occupy 90% of cultivated land, contributing 80% to agricultural GDP³.
4. **Vision for Development and the Mining Sector:** Burundi's development vision, "Emerging Burundi by 2040 and Developed Burundi by 2060," assigns a major role to the mining sector in socio-economic development. However, the sector remains underdeveloped and underexplored. Mineralized sites containing gold, cassiterite, coltan, and wolframite are mostly exploited in an artisanal way by mining cooperatives established under Burundian law.
5. **Financial Sector Overview:** Burundi's financial sector includes banking institutions (banks, microfinance institutions, the post office, currency exchange bureaus, and payment establishments) and non-banking financial institutions (insurance companies, the National Social Security Institute, the National Office of Pensions and Occupational Risks, and the Public Service Mutual Fund).
6. **Banking Sector Regulation:** The banking sector comprises 15 credit institutions, including 14 commercial banks and 1 financial institution. Banking activities require a

¹ Decree No. 100/18 of January 24, 2019

² World Bank demographic projection carried out in 2020

³ General report of the General Assembly on Agriculture and Livestock (EGAE), 2024 Edition

license from the Bank of the Republic of Burundi (BRB), which regulates the sector. While Act No. 1/17 of August 22, 2017, governing banking activities references the 2008 anti-money laundering law, it does not explicitly assign the BRB a supervisory role in anti-money laundering and counter-terrorism financing (AML/CFT). Postal services, insurance, and pensions fall under their respective supervising ministries.

7. **Challenges in the Financial Sector:** The financial sector in Burundi is underdeveloped, with limited access to financial products and services. Cash transactions dominate, posing significant challenges in combating money laundering.
8. **Low Financial Inclusion:** Financial inclusion remains low, with informal economic activities accounting for 58% of the economy. Most of the active population does not use traditional banking services.
9. **Banking Penetration:** Although banks dominate the financial sector with an 82% market share, only 10% of the population had a bank account in 2017. This rate increased to 16.8% in 2022, according to the BRB's annual supervision report (2022).
10. **Barriers to Financial Inclusion:** The low rate of financial inclusion is attributed to cultural perceptions of money as a strictly private matter, account maintenance fees, lack of tailored financial products, and collateral requirements, which hinder access to banking services, particularly in rural areas.
11. **Alternatives to Traditional Banking:** Microfinance institutions and mobile money services offer alternatives to low banking penetration. However, cash remains the dominant medium for financial transactions.
12. **Non-Financial Sector:** The non-financial sector includes Designated Non-Financial Businesses and Professions (DNFBPs), such as lawyers, gambling operators, notaries, accountants, dealers in precious stones and metals, customs declarants, and real estate agents. These entities are defined under the 2008 AML/CFT act and are required to comply with its obligations.
13. **Government Commitment to Reforms:** The Burundian government is committed to advancing the country's AML/CFT reform agenda in line with international standards.
14. **Key Reforms and Achievements:** The establishment of an independent financial intelligence unit, the National Financial Intelligence Unit (CNRF), by Decree No. 100/044 of March 16, 2020, and Burundi's accession to the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in September 2023 demonstrate the country's determination to improve compliance with international AML/CFT standards. These reforms are prerequisites for economic diversification, sustainable growth, job creation, and integration into regional and international financial markets.
15. **ESAAMLG High-Level Mission:** In March 2023, a High-Level Mission (HLM) from ESAAMLG identified nine (9) priority measures for Burundi to implement in the short term to establish the foundations of its national AML/CFT regime, including conducting

a National Risk Assessment (NRA) on money laundering and terrorist financing (ML/TF).

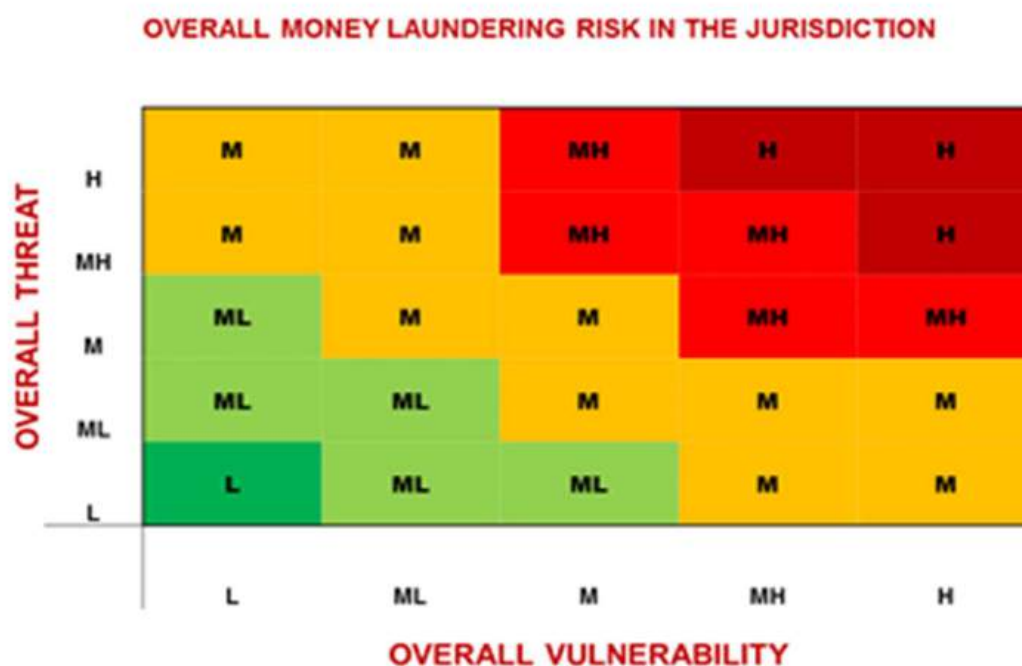
16. **National Risk Assessment (NRA):** From November 2023 to October 2024, Burundi conducted a National Risk Assessment to identify the threats and vulnerabilities facing its financial system in relation to ML/TF, with the aim of applying a risk-based approach.

17. **Stakeholder Involvement and Challenges:** This iterative process involved broad participation from national stakeholders, including ministries (Finance, Justice, Foreign Affairs, Interior, etc.), regulatory authorities, financial institutions, and civil society. Working groups relied on available data, though challenges included the unavailability or incompleteness of statistical data across nearly all sectors assessed. The goal was to prioritize risks and define actions to strengthen AML/CFT measures and protect the integrity of Burundi's financial system.

I. RESULT OF THE MONEY LAUNDERING (ML) RISK ASSESSMENT

18. The overall ML risk is assessed at a high level, resulting from the high level of overall threat and the high level of national vulnerability.

ASSESSMENT	THREAT	VULNERABILITY	LEVEL OF RISK
ML	High	High	High



II.1. The Overall ML Threat

19. Burundi faces a high level of money laundering (ML) threat, characterized by a complex criminal environment that includes embezzlement, tax and customs offenses, smuggling, corruption, bribery, trafficking of minerals, human trafficking, and drug trafficking. The porosity of borders and the evolving nature of criminal methods exacerbate the situation, making these offenses difficult to combat.

20. Although the majority of offenses occur within the national territory, there is also an external threat, particularly from the Democratic Republic of Congo. This primarily involves the trafficking of minerals (gold, cassiterite, tin, and other precious minerals) and smuggling. The crimes most likely to generate money laundering are embezzlement, tax crimes, smuggling, corruption, and mineral trafficking, with moderate threats related to drug trafficking and human trafficking.

21. The financial losses caused by tax evasion and tax/customs fraud are significant, representing approximately 1% of GDP annually. The amounts evaded fluctuate considerably from year to year but remain high, with estimates ranging between 44.5 and 73.9 billion Burundian francs (equivalent to 15 to 25 million US dollars) between 2020 and 2023⁴.

22. Reverse money laundering “Money Blackening (MB)”, which, in the context of the country, refers to the use of licit funds to finance criminal activities with the aim of generating greater profits, involves the diversion of legitimate financial flows into illicit activities, such as drug

⁴ 2023 OBR report

trafficking, smuggling, mass speculation (including on the informal currency market or black market), or other forms of organized crime.

23. This phenomenon poses a threat to the economy and security of Burundi due to its local specificities. Indeed, in Burundi, reverse money laundering (money blackening) refers to practices within the informal economy where legitimate financial flows—or at least those obtained legally through the Bank of the Republic of Burundi (BRB) and commercial banks—are diverted into unregulated financial activities, particularly fuelling the black market for foreign currencies (USD, EUR). Interviews conducted with some informal currency traders reveal a rather well-organized network involving influential individuals.

24. This practice is encouraged and exacerbated by the disparity between the official exchange rate and the black-market rate, which offers a significant profit margin (more than twice the official rate). This practice is illegal and constitutes an offense against the proper functioning of the national economy, punishable under Burundi's Penal Code⁵. The novelty and complexity of this practice have led the working group to recommend an in-depth thematic study to better understand this phenomenon and propose specifically tailored measures to address it.

Table of the Main Crimes Most Likely to Generate Proceeds Requiring Laundering

The Main Crimes Likely to Lead to Money Laundering (ML)	Threat Level
Embezzlement	High
Tax and Customs Offenses	High
Smuggling	High
Corruption and Bribery	High
Trafficking of Minerals and Precious Stones	High
Drug Trafficking	Moderate
Human Trafficking	Moderate

II.2. Global Vulnerability to Money Laundering (ML)

25. The national vulnerability to money laundering (ML) refers to the country's weaknesses in addressing this illegal practice. In this context, vulnerability is determined by two main factors:

1. **Sectoral Vulnerability:** This refers to the exposure of various sectors (financial and DNFBPs) to money laundering risks. The results of this NRA show that the vulnerability of all sectors is assessed as high, meaning that several sectors in the country present a significant risk of money laundering.
2. **National Capacity to Combat Money Laundering:** This refers to the effectiveness and resources available to the country to prevent, detect, and punish money laundering. In the context of this NRA, the capacity to combat ML is assessed as low, indicating that the country lacks sufficient means or mechanisms to effectively counter this threat.

⁵ Burundi's penal code, articles 428 to 435

II.2.1. National Capacity to Combat Money Laundering (ML)

26. The national capacity to combat ML is assessed as weak. The main weaknesses identified are:

i. Weaknesses in the Legal Framework

27. The legal framework for combating money laundering (ML) and terrorist financing (TF) in Burundi has gaps in several aspects that systematically affect all evaluated sectors.

ii. Lack of a Risk-Based National Policy and Strategy

28. Although Burundi has defined its priorities for combating ML, particularly in the context of its membership in the ESAAMLG group, which includes strengthening its legal and institutional framework, it has not yet established a risk-based national strategy.

iii. Ineffectiveness of National Cooperation in Combating ML/TF

29. **Absence of a National Coordination Authority for ML:** Initiatives to combat ML and TF in the country are not well-coordinated, and most efforts are supported by the National Financial Intelligence Unit (CNRF). However, the CNRF is not fully operational.

30. **Lack of a Framework for High-Level Political Consultation:** Burundi has not yet established a framework for high-level political consultation on ML. This situation poses serious challenges for the country, as ML is a complex crime that requires high-level political commitment and close cooperation among senior officials in political, judicial, financial, and regulatory institutions to be effectively addressed.

iv. Ineffective Operationalisation of the National Financial Intelligence Unit (CNRF)

31. Burundi's National Financial Intelligence Unit (CNRF), although a key component of the ML/TF combat mechanism, faces several constraints. It lacks sufficient financial, human, and material resources to fully fulfil its mission.

32. Additionally, CNRF staff are not always adequately trained in financial analysis techniques.

iv. Lack of Capacity, Independence, and Integrity in Investigation and Enforcement Bodies

33. Investigation and enforcement bodies lack sufficient financial resources and personnel with the specialized skills required for financial investigations.

34. External interference, particularly from influential individuals, significantly affects the independence and integrity of investigators and judges, thereby compromising the quality of their investigations and rulings.

v. Porous Borders

35. The borders Burundi shares with its neighbouring countries, particularly the DRC, are porous and facilitate smuggling due to insufficient detection equipment (scanners, vehicle scales, police dogs, drones, etc).

vii. Predominance of the Informal Sector

36. The predominance of the informal economy has several consequences, including the lack of traceability of transactions, the opacity of activities, and difficulties in regulation and oversight.

viii. Lack of a Reliable and Secure Identification Infrastructure

37. There is no centralized and secure database for identity-related information (birth certificates) and civil status, which prevents systematic and reliable identification of citizens and creates gaps in identity verification processes. This situation poses a major obstacle to effectively implementing KYC (Know Your Customer) or CDD (Customer Due Diligence) procedures for reporting institutions.

38. Moreover, the National Identity Card (NIC), although often used as the primary identification document, has significant flaws, including the possibility of possessing multiple cards simultaneously. This allows individuals to assume different identities, making verification systems less reliable and more vulnerable to fraud.

ix. Lack of Reliable Data on Beneficial Owners

39. It is difficult to identify the real individuals who own or control legal entities (companies, associations, etc.) in Burundi. The limited information available from the Burundi Development Agency (ADB) and the Trade Register is insufficient to identify the true beneficial owners.

40. Furthermore, the absence of adequate mechanisms for this identification hinders the detection of the real actors behind companies or financial transactions. This situation makes it difficult to trace financial flows and identify the individuals who exercise effective control over legal entities.

x. Weaknesses in Combating Corruption

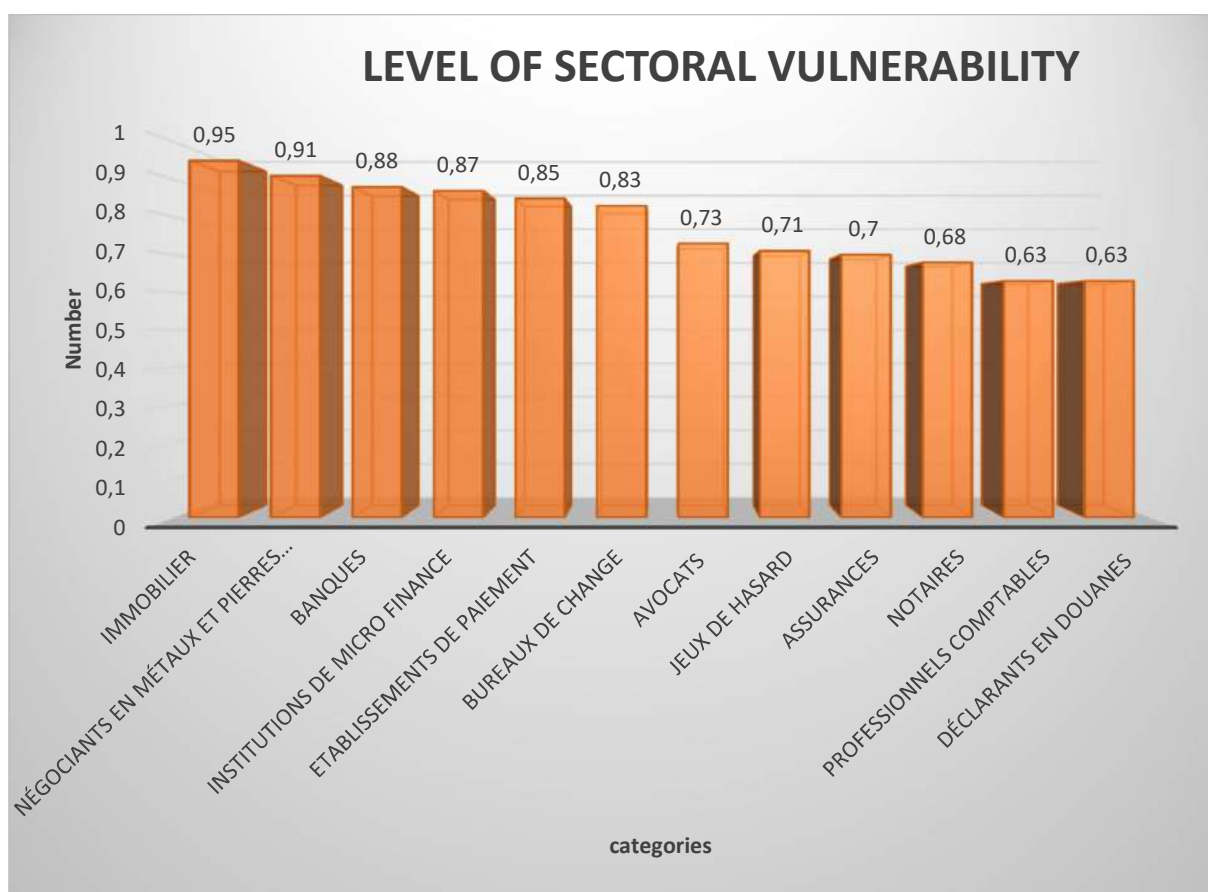
41. The analysis of this issue requires consideration of the challenges raised by Organic Act No. 1/21 of August 3, 2019, amending Act No. 1/07 of February 25, 2005, governing the Supreme Court under Article 38, as well as Act No. 1/12 of April 18, 2006, on measures to prevent and combat corruption and related offenses (anti-corruption law), particularly Articles 29 and 32 to 35.

42. These laws require senior officials to declare their assets. The declaration must include shares and other financial interests, properties, and movable assets valued at more than two million Burundian Francs (BIF). This requirement aims to promote transparency and accountability at the highest levels of the state. The declaration obligations extend not only to political authorities but also to state agents and executives, emphasizing the importance of transparency at all levels of public management.

43. However, the working group observed that, in practice, these declarations are not made. Although the legal provisions are commendable, they remain ineffective due to the lack of sanctions for non-compliance. This absence of real consequences severely compromises public management, particularly within state-owned enterprises. Moreover, this lack of accountability creates an environment conducive to embezzlement and corruption, which can lead to ML.

II.2.2. Sectoral Vulnerability

44. Regarding sectoral vulnerability, it is determined by the vulnerability of each sector. Indeed, the closer a sector's vulnerability level is to 1, the more exposed the sector is to ML risks.



45. According to the table above, all sectors present a **high** level of risk, except for the sectors of collective investment schemes, lawyers, notaries, customs declarants, and insurance, which present a **moderately high** level of vulnerability.

46. For these sectors, the main weaknesses are:

- Absence of a clearly identified supervisory body in laws and regulations;
- Lack of supervisory practices;
- Absence of risk-based training and awareness programmes for staff on AML/CFT;

- Reporting entities, apart from banks, are not yet implementing the provisions of the AML/CFT law;
- Ineffectiveness in detecting and reporting suspicious transactions;
- Lack of knowledge regarding AML/CFT.

II. RESULT OF THE TERRORIST FINANCING (TF) RISK ASSESSMENT

47. The TF risk is assessed as **moderately high**, resulting from a moderate level of TF threat and a **high** level of vulnerability.

ASSESSMENT	THREAT	VULNERABILITY	LEVEL OF RISK
TF	Moderate	High	Moderately high

48. Indeed, although Burundi is not an operational hub for terrorist groups, it is still indirectly and directly threatened (Burundi has experienced some attacks by RED-Tabara).

49. Burundi shares a long border with the DRC, a territory where several terrorist groups are active. Among these groups are RED-Tabara, ADF (Allied Democratic Forces), FDLR (Democratic Forces for the Liberation of Rwanda), M23, and LRA (Lord's Resistance Army). These groups can cross borders to carry out attacks or establish rear bases, exposing Burundi to significant risks.

50. Burundi is also involved in peacekeeping missions in the region, particularly in the Central African Republic and Somalia. This participation makes it vulnerable to retaliation or attacks from terrorist groups opposed to UN missions or other international forces in which Burundi is involved.

51. The lack of resources and effective mechanisms to detect and block financial flows intended to support terrorist activities exposes the country to increased risk. Insufficient local capacities for financial surveillance and control could allow terrorist groups to operate discreetly from or transit through Burundi.

52. The combination of these factors places Burundi in a situation of moderate risk regarding terrorist financing and terrorist activities in general. The exposure to terrorist financing risk is therefore assessed as **moderately high**.

3.1 Targeted Financial Sanctions Against TF

53. Burundi has not yet established a comprehensive legislative or regulatory framework for implementing UN Security Council Resolutions 1267 and 1373 on terrorism and terrorist financing. The same applies to UN Security Council Resolutions 1718 and 2356 on proliferation financing.

54. Regarding national designations under UN Security Council Resolution 1373, Burundi has also not established or identified a competent authority or court responsible for designations on its own initiative or at the request of another country.

3.2 Assessment of TF Risk Related to Non-Profit Organizations (NPOs)

55. The assessment of terrorist financing (TF) risk related to the activities of Non-Profit Organizations (NPOs) operating in Burundi has shown that no concrete evidence indicates that these organizations are involved in terrorist activities. Indeed, no foreign NPO has been identified as having links to terrorist groups. Local NPOs (ASBL), although numerous, primarily operate with limited resources, often derived from membership contributions.

56. However, although legislative and regulatory texts exist to regulate the sector, control and supervision mechanisms remain insufficient. The legislative framework established by the government, although developing, has gaps in prevention against TF, awareness, and training regarding the risk of terrorist financing related to NPO activities. It also suffers from a lack of coordination among control/supervision bodies, which, in turn, lack sufficient financial resources.

DETAILED ASSESSMENT OF ML/TF RISKS

SECTION 0: INTRODUCTION

1. ML, which, according to the FATF, “is the process of disguising the proceeds of crime to conceal their illicit origin,” and the financing of terrorism, which fuels activities threatening national and international security, are among the primary manifestations of new forms of economic crime. These crimes threaten the values underpinning economic and social development globally and in Burundi in particular.

2. These activities can undermine the integrity and stability of financial institutions and systems, deter foreign investors, and disrupt international capital flows. AML/CFT is a crucial commitment to safeguarding Burundi's financial integrity and security. It strengthens the country's resilience against these transnational threats and actively contributes to global efforts to prevent and combat these criminal activities.

3. In an increasingly interconnected and complex world, where issues related to national security and global economic stability are becoming more pressing, AML/CFT is a concern at both the national and international levels. It represents a challenge in preventing and controlling these financial and security risks that Burundi must address.

4. Burundi faces a high risk of money laundering. The country lacks precise and regularly collected data on the criminal situation. However, the limited information available indicates that the criminal environment is characterized by the embezzlement of public funds, fiscal crimes (tax evasion, tax and customs fraud, smuggling), corruption, bribery, trafficking of minerals and precious stones, human trafficking, and drug trafficking. Money laundering and terrorist financing are relatively new offenses, and no cases have yet been brought before the courts.

5. Burundi's geographical location in the Great Lakes region, where most states experience political and security instability and face structural economic challenges, requires Burundi to incorporate into its fight against money laundering the illegal flows of goods and precious metals transiting through its neighbouring countries.

6. According to a United Nations report on the Democratic Republic of Congo (DRC): "*Gold, cassiterite, tin, and other precious minerals are exploited chaotically in South Kivu and transit through Burundi in route to foreign destinations*"⁶. The situation in the Democratic Republic of Congo and neighbouring Rwanda has a significant impact on Burundi. According to another United Nations report, "*the DRC provides a typical example of a state where war and organized crime are interdependent, with the latter regularly and continuously financing the former*"⁷.

7. The situation of war and crime in the DRC remains ongoing. It is therefore not impossible that the illicit trade of mineral resources and other precious stones from the DRC finds a transit point in Burundi, given the porous borders shared by the two countries.

8. Despite the absence of jurisprudence on money laundering, which could have shed light on the underlying offenses and the sectors in which money is laundered, it is necessary to confirm the conclusion of the World Bank report, which states: "*The direct recycling of proceeds of crime into the real economy relies, in particular, on real estate investments.*"

9. This report explains, in fact, that: "*Questions exist regarding the financing methods of the significant development in this sector, in the absence of support from the banking sector.*" And that: "*Moreover, the origin of the invested funds lacks apparent economic justification in light of the average income in Burundi.*"

⁶ Final Report of the United Nations Group of Experts on the Democratic Republic of Congo, 23 November 2009

⁷ United Nations Report on Drugs and Crime (June 2005)

10. In addition to real estate investments, the proceeds of crime are believed to be used to acquire shares for the creation of private enterprises,⁸ which are inconsistent with average incomes (here, the identification of beneficial owners faces significant gaps). Another portion of the proceeds of crime is likely laundered abroad.

11. The analysis of information on the criminal environment prevailing in Burundi, as well as the Government's efforts to mitigate its effects, shows that Burundi has made considerable progress. However, further efforts are needed to restore its reputation on the international stage. Indeed, in recent years, Burundi has demonstrated a concrete willingness to join other nations in the fight against Transnational Financial Crime (TFC), which includes technical, institutional, and legal compliance. It is thus a signatory to several international conventions aimed at combating these global scourges.

12. In this context, Burundi has made significant efforts to strengthen its legal and institutional framework to align with international best practices. This includes the adoption of the 2008 AML/CFT Act (currently under revision to comply with FATF requirements) and the establishment of the National Financial Intelligence Unit (CNRF), which is in the process of becoming fully operational. Burundi has been a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) since September 2023 and is implementing the recommendations of a High-Level Mission (HLM) from this organization. Among these recommendations is the conduct of a National Risk Assessment (NRA) in preparation for a mutual evaluation.

13. To ensure Burundi's compliance with international standards, particularly the first recommendation of the HLM and in line with Recommendation 1 of the Financial Action Task Force (FATF), which calls on countries to *"identify, assess, and understand the money laundering and terrorist financing risks they face,"* Burundi has conducted its first National Risk Assessment (NRA) on Money Laundering and Terrorist Financing (ML/TF) covering the period from 2021 to 2023.

14. The ML/TF NRA measures the country's vulnerability to money laundering and the threats of money laundering, with the aim of reducing the former and mitigating the latter. The product of these two concepts constitutes the overall risk. The NRA aspires to be a valuable resource for the formulation of targeted policies and measures. By understanding the underlying mechanisms of ML and TF in Burundi, authorities can develop more effective strategies for their prevention, detection, and repression.

15. This assessment aims to identify the vulnerabilities, threats, and challenges Burundi faces in terms of ML and terrorist financing. The evaluation of these risks will enable Burundi to develop strategies that strengthen the resilience of its financial system and institutions while safeguarding national security.

16. By rigorously addressing the identified risks through the implementation of targeted strategies, Burundi will be able to position itself as a responsible actor in the global fight against these illicit activities, thereby contributing to a safer and more prosperous future for its population and the international community.

⁸ The creation of private businesses and microfinance has accelerated in recent years (more than 10,000 businesses registered by the Burundi Development Agency for 2023 alone).

OBJECTIVES

17. The NRA is an exercise whose purpose is:

- ❖ **First**, to identify the threats facing Burundi in terms of ML and terrorist financing, to understand the weaknesses that could facilitate the realization of these threats, and ultimately to highlight the risks to which Burundi is exposed.
- ❖ **Second**, to measure the scale of the risks thus identified in order to enable the development of an action plan and/or a comprehensive strategy, including a risk management framework.

THE NATIONAL RISK ASSESSMENT PROCESS

Organization of the NRA Process

18. In Burundi, the NRA process was carried out in the following three (3) phases:



Phase 1: Preparation

19. Submission of a request from the Minister of Finance, Budget, and Economic Planning (MFBPE) to the World Bank.

20. Establishment of a Coordination Office for the ML/TF NRA by Ministerial Order No. 540/1380/2023 of 02/11/2023, designating, among others, the NRA Coordinator and their Assistant.

21. Holding of preparatory meetings (on 2nd and 9th November and 15th December 2023) via videoconference between members of the NRA Coordination Office of Burundi (the Coordinator and their Assistant) and World Bank experts.

22. Identification and appointment of Working Group leaders among participants designated by their respective institutions. In total, 51 public and private institutions and establishments responded positively to the call to participate in the NRA process. The number of participants amounts to 76 members.

23. Official launch of the ML/TF NRA process by the Permanent Secretary of the CNRF, formation of Working Groups by module, and sharing of data and information for the NRA: 11th January 2024.

Phase 2: Assessment

24. Training of Working Group leaders and designated participants via videoconference by World Bank experts, conducted from the premises of the KING'S CONFERENCE CENTER hotel in Bujumbura, on 16th, 17th, 18th, 19th, 22nd, 23rd, and 24th January 2024, on the NRA guidance manuals for ML and TF.

25. Collection of data and information required to complete the reports: February and March 2024.

26. Analysis of collected data and information and drafting of preliminary sectoral reports for the NRA: April 2024.

Phase 3: Finalization

27. NRA finalization workshop led by World Bank experts at the KING'S CONFERENCE CENTER hotel in Bujumbura, from 8th to 10th May 2024:

- Collection and analysis of additional data and information: May and June 2024;
- Finalization and drafting of definitive sectoral reports for the NRA: July 2024;
- Drafting of a consolidated NRA report by the coordination team: August 2024;
- From 9th to 14th September 2024: Validation of the draft consolidated NRA report of Burundi by all members of the Working Group;
- End of September 2024: Submission of the draft consolidated NRA report of Burundi to World Bank experts;
- On 26th October 2024, the Coordination Office received comments from World Bank experts;
- On 29th October 2024, members of the NRA Coordination Office exchanged with the designated expert from the World Bank responsible for supporting the Burundi NRA on the scope of the comments provided;
- Early November 2024: Analysis and integration of the experts' comments.

Participants

28. The participants in the NRA include all national stakeholders, including key actors in the AML/CFT framework, namely:

- Ministerial departments directly or indirectly involved;
- Regulatory, control, and supervisory authorities;
- Judicial and law enforcement authorities;
- National private sector actors and civil society;
- Public or supranational structures providing technical or administrative oversight of reporting entities, whether or not designated as AML/CFT supervisory authorities;
- Public or para-public structures with competence in specific areas;
- Private sector: reporting entities, professional associations of reporting entities, civil society, etc.

29. The active and widespread participation of stakeholders facilitated fruitful exchanges for the successful conduct of the exercise.

Data

30. The NRA was conducted, in particular, by:

- Collecting data from various sources (ministerial departments, CNRF, private sector structures, etc.);
- Gathering information through questionnaires;
- Conducting interviews with public or private actors;

- Consulting public and open-source documents, including studies conducted by regional or international organizations.

Challenges and Solutions

31. The main challenges encountered relate to the unavailability and/or lack of comprehensive data in almost all sectors for the period covered.

32. Other challenges include:

- Lack of reports containing useful indicators for the assessment;
- Insufficient logistical tools to facilitate data collection (travel and communication for experts);
- Lack of reference points due to the novelty of this exercise in Burundi;
- Absence of a coherent policy or strategy for the collection, management, and dissemination of statistical data.

33. To address data-related issues, authorities should establish a statistical tool (a centralized data software at the national level).

34. This first NRA of Burundi is the result of a joint and coordinated effort by a plurality of actors from both the public and private sectors. This report consists of three (3) sections exploring in detail the various threats and vulnerabilities related to ML and TF, highlighting the most vulnerable sectors and risk factors.

THE NATIONAL RISK ASSESSMENT TOOL

35. The NRA Working Group benefited from the technical support of the World Bank, which provided a guidance module for each sector as well as an Excel-based application.

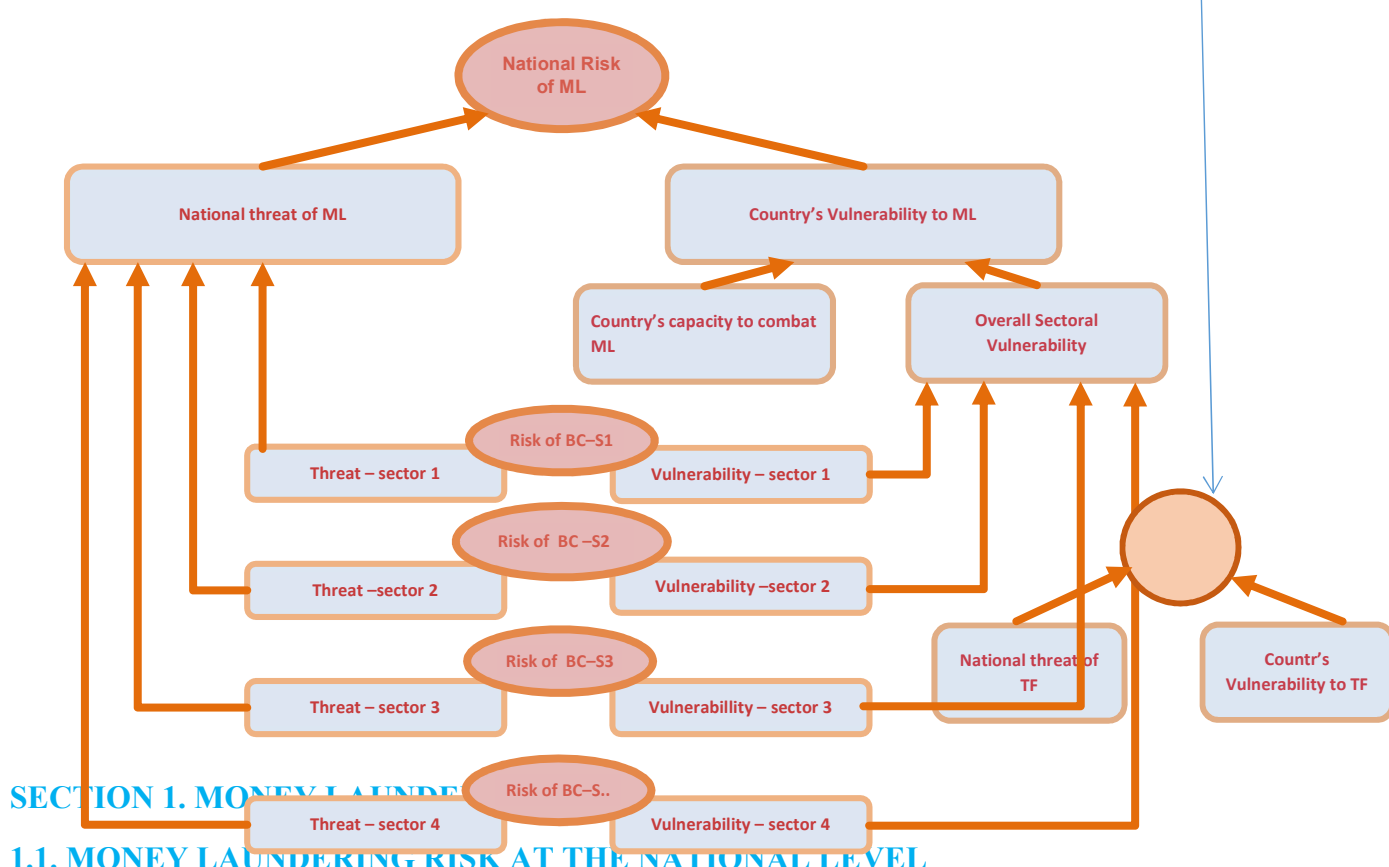
36. This application served as a foundational tool, enabling:

- The collection of data related to the environment in which AML/CFT actors operate;
- The identification of threats faced by different sectors of the national economy;
- The highlighting of vulnerabilities in these sectors, i.e., factors that could facilitate their use for ML or terrorist financing activities;
- The analysis of factual findings;
- The identification of the main drivers of these risks;
- The development of an action plan to propose appropriate responses to the identified challenges;
- The tool consists of ten (10) modules that serve as the framework for this report;
- Two (2) cross-cutting modules dedicated to the analysis of threats facing the country, on one hand, and vulnerabilities, on the other;
- One (1) module related to TF risks;
- Five (5) modules aimed at reviewing the main sectors of the national economy that could be used to launder illegally acquired funds or finance terrorist activities;
- One (1) module on tax crimes;
- One (1) module dedicated to assessing the vulnerability of Non-Profit Organizations (NPOs) in AML/CFT.

Figure 1: Overview of the World Bank's Environmental and Natural Resources (ENR) Structure

THE STRUCTURE OF THE NRA TOOL

THE STRUCTURE OF THE NRA TOOL



SECTION 1. MONEY LAUNDERING RISK

1.1. MONEY LAUNDERING RISK AT THE NATIONAL LEVEL

1.1.1. National Context of Money Laundering

1.1.1.1. Geography, Population, Economy

37. Burundi is located in the Great Lakes region and shares borders with three countries: the Democratic Republic of Congo to the west, Rwanda to the north, and Tanzania to the east and south. It is a member of several regional organizations, including the African Union (AU), the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), among others.

38. Burundi has a land area of 27,834 km², with Bujumbura as its economic capital and Gitega as its political capital⁹. The latter is located in the centre of the country. With a population of

⁹ Decree n° 100/18 issued on January 24, 2019

13.2 million (2023), of which 50.6% are women and 41.5% are under 15 years old, it is one of the most densely populated¹¹ countries, with a population¹⁰ density ratio of 442 inhabitants/km².

39. Burundi's economy is primarily based on agriculture. The agricultural sector plays a predominant role in the country's socio-economic development. The sector's contribution to the Gross Domestic Product (GDP) was estimated at 26.1% in 2017 and 25.4% in 2023.

40. The mining sector is expected to contribute significantly to socio-economic development to achieve the country's vision: "Burundi, an emerging country by 2040 and a developed country by 2060." However, the sector remains underdeveloped and poorly assessed. Indeed, mineralized sites containing gold, cassiterite, coltan, and wolframite are mostly exploited in an artisanal way by mining cooperatives established in accordance with Burundian legislation.

41. Burundi's financial sector is underdeveloped. Access to financial products and services is very limited, as is the availability of non-cash payment methods. Cash payments dominate most transactions, which poses a significant challenge in the fight against money laundering.

42. The informal sector remains predominant in the economy (over 60%). Most of the active population in this sector is excluded from traditional banking services. Although the banking sector dominates the financial system (82%), only 10% of the population reported having a bank account in 2017. This rate, however, increased to 16.8% in 2022¹¹. Microfinance institutions and mobile money services are alternatives to this low level of financial inclusion. Nevertheless, cash usage strongly dominates financial transactions.

1.1.1.2. Institutional Framework for Anti-Money Laundering

43. The 2008 Act on anti-money laundering and countering the financing of terrorism does not define law enforcement agencies but rather provides a broader definition of a "competent authority." A competent authority is defined as *"any administrative or criminal prosecution authority responsible for combating money laundering and terrorist financing, including the financial intelligence unit and supervisory authorities"*¹²

44. The institutions that constitute the anti-money laundering framework in Burundi, according to this definition, include the National Financial Intelligence Unit (CNRF), the Bank of the Republic of Burundi (BRB), the Insurance Regulatory and Control Agency (ARCA), the

¹⁰ Demographic projection by the World Bank carried out in 2020

¹¹ Annual Supervision Report (BRB 2022)

¹² Anti-Money Laundering Law of 2008, Article 2, Paragraph 5

Burundi Revenue Authority (OBR), the Police, the National Intelligence Service (SNR) and the Office of the Prosecutor General of the Republic.

45. The primary function of the CNRF is to receive, analyse, and disseminate information on suspected money laundering and terrorist financing activities. It is also responsible for updating the legal framework, recruiting and training staff, securing a building that meets safety standards, integrating Burundi into the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), and preparing for the mutual evaluation (ME).

46. The **Bank of the Republic of Burundi (BRB)** has the mandate to oversee and supervise the banking sector.

47. The **Insurance Regulatory and Control Agency of Burundi (ARCA)** is the regulatory body that supervises the insurance sector.

48. The **Prosecutor General of the Republic** is responsible for managing all crimes committed in Burundi. Prosecutors are mostly legal practitioners with extensive experience. However, there are no specialized units within the Prosecutor General's office. Prosecutors can handle any criminal case, including those related to financial crimes.

49. The **National Police of Burundi (PNB)** and the **National Intelligence Service (SNR)** are responsible for investigating all crimes, including money laundering and terrorist financing.

50. The **Burundi Revenue Authority (OBR)** is responsible for the collection and recovery of taxes and duties.

1.1.1.3. Legal Framework for Anti-Money Laundering

51. The following laws and regulations constitute the legal framework for combating money laundering and terrorist financing in Burundi. They grant various law enforcement agencies the powers to detect, investigate, seize, confiscate, and prosecute offenses underlying money laundering and terrorist financing:

- a. Act No. 1/02 of 4 February 2008 on anti-money laundering and countering the financing of terrorism;
- b. Organic Act No. 1/21 of 3 August 2019 amending Act No. 1/07 of 25 February 2005 governing the Supreme Court;
- c. Act No. 1/17 of 22 August 2017 governing banking activities;

- d. Act No. 1/05 of 27 February 2019 governing the capital market of Burundi;
- e. Act No. 1/08 of 29 October 2020 regulating the capital market of Burundi;
- f. Circular No. 21/2018 on corporate governance in credit institutions, issued under Act No. 1/17 of 22 August 2017 governing banking activities;
- g. Decree No. 100/044 of 16 March 2020 on the creation, mandate, organization, and functioning of the National Financial Intelligence Unit of Burundi;
- h. Act No. 1/19 of 17 June 2021 amending Act No. 1/24 of 10 September 2008 governing the investment code of Burundi;
- i. Regulation No. 001/2018 on microfinance activities;
- j. Regulation No. 001/2017 on payment services and payment institutions;
- k. Act No. 1/27 of 29 December 2017 revising the Penal Code;
- l. Act No. 1/12 of 18 April 2006 on measures to prevent and repress corruption and related offenses. This Act of Parliament, for the first time, criminalizes money laundering as an offense related to corruption.

1.1.1.4. Criminalization of Money Laundering

52. Burundi has criminalized the offense of money laundering. The material elements of the offense of money laundering are found in Article 441 of the Burundian Penal Code and are largely consistent with the requirements of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention, 1988) and the 2000 United Nations Convention against Transnational Organized Crime (Palermo Convention, 2000).

53. Act No. 1/27 of 29 December 2017 revising the Penal Code and Act No. 1/12 of 18 April 2006 on measures to prevent and repress corruption and related offenses clearly define money laundering in their respective Articles 457 and 62. The anti-corruption law and the Penal Code punish money laundering, although these two legal texts provide different penalties for the same offense. Indeed, the anti-corruption law punishes money laundering with 15 to 20 years of penal servitude, while

the Penal Code punishes it with 10 to 15 years (Article 457). This difference in penalties provided by these two texts does not constitute legal uncertainty, as Article 646 of the Penal Code specifies the applicable law in such a situation, stating that "special laws whose penal provisions have been integrated into this code remain in force insofar as they are not contrary to this law."

1.1.1.5. Combating Corruption

57. The analysis of the legal framework for combating corruption requires consideration of the issues raised by Organic Act No. 1/21 of 3 August 2019, amending Act No. 1/07 of 25 February 2005 governing the Supreme Court in its Article 38, as well as Act No. 1/12 of 18 April 2006

on measures to prevent and repress corruption and related offenses (anti-corruption law), particularly in its Articles 29 and 32 to 35.

58. These laws impose on high-ranking officials the obligation to declare their assets. The declaration must include shares and other financial interests, properties and real estate, as well as movable assets valued at more than two million Burundian Francs (BIF). This requirement aims to promote transparency and accountability at the highest levels of the state. The declaration obligations apply not only to political authorities but also extend to state representatives and executives, underscoring the importance of transparency at all levels of public management.

59. However, the working group observed that, in practice, these declarations are not made. Although the legal provisions are commendable, they remain ineffective due to the lack of sanctions against violators. This absence of real consequences severely compromises public governance, particularly within state-owned enterprises. Moreover, this lack of accountability creates an environment conducive to embezzlement and corruption, which can lead to money laundering.

1.1.1.6. National Perceptions of Money Laundering

54. In Burundi, the concept of money laundering is new and remains largely unknown to the majority of the population. The public is more familiar with predicate offenses to money laundering, such as corruption, embezzlement, theft, etc. The national perception of money laundering must therefore be analysed through these predicate offenses. Generally, the level of commission of predicate offenses is high, and consequently, the level of money laundering is likely to be proportionally high.

55. According to OLUCOME (Observatoire de Lutte contre la Corruption et les Malversations Economiques) "*illicit enrichment and money laundering are a reality in Burundi*"¹³

56. As for the organization PARCEM (Parole et Actions pour le Réveil des Consciences et l'Évolution des Mentalités), it states that the "*law against corruption remains incomplete and ignored, failing to address offenses and related crimes linked to corruption (embezzlement,*

¹³ Statement by OLUCOME on the occasion of African Anti-Corruption Day, July 11, 2023

*bribery, money laundering, abuse of corporate assets, favouritism in public procurement, for example) continue to be overlooked when analysing the behaviour of various state officials."*¹⁴

57. The Catholic Bishops of Burundi have expressed their concern about corruption and money laundering in Burundi, emphasizing that these practices undermine the country's economic and social development¹⁵.

1.1.1.7. International Perceptions of Money Laundering

58. International reports¹⁶ on Burundi agree that the criminal environment is marked by embezzlement of funds, corruption, human trafficking, drug and wildlife trafficking, arms trafficking, etc.

59. The same reports conclude that: "Burundi is a participant in the criminal economy of the sub-region; this suggests that Burundi is a favourable space for money laundering originating both internally and externally."

60. At the same time, the Global Initiative's Global Organized Crime Index report shows that Burundi has a crime score of 4.87, ranking 106th out of 193 countries, 32nd out of 54 African countries, and 6th out of 11 Central African countries. As for the resilience score, it stands at 2.17, placing Burundi 182nd out of 193 countries, 50th out of 54 African countries, and 10th out of 11 Central African countries.

61. Similarly, these reports indicate that other types of illicit trade in consumer goods are widespread, such as sugar, non-alcoholic beverages, and alcoholic beverages, which are illegally exported to neighbouring countries. However, they agree on the existence of a legal and institutional framework to combat money laundering, although they lament its ineffectiveness.

62. The Working Group notes that some of these international reports convey information that is not based on tangible evidence, particularly when they state, for example: "Although evidence is scarce, it is believed that transport companies and private banks are also involved in criminal activities. Given Burundi's role as a transit country in the regional criminal economy, some transport companies are involved in smuggling, while some banks facilitate illicit financial transfers and money laundering."¹⁷

63. The analysis of information on the criminal environment prevailing in Burundi, as well as the Government's efforts to mitigate its effects, shows that Burundi has made significant progress, but further efforts are needed to restore its reputation on the international stage.

64. Indeed, in recent years, Burundi has demonstrated a concrete willingness to join other nations in the fight against Transnational Financial Crime (TFC), which includes technical,

¹⁴ Report on the Corruption Perceptions Index, Transparency International, 2023

¹⁵ Statement of the Conference of Catholic Bishops of Burundi dated September 6, 2023

¹⁶ 2023 Report on the Global Organized Crime Index in Burundi, Transparency International Report on the CPI 2023, Afrobarometer Report 2015, 2012 Detailed Assessment Report on the Fight Against BC/FT

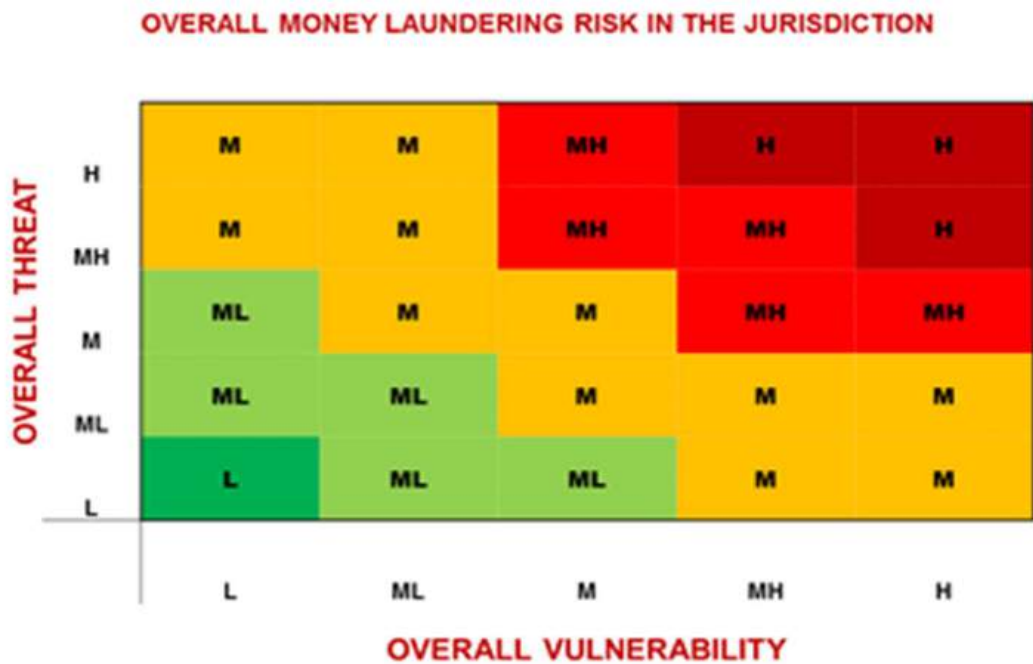
¹⁷ Global Organized Crime Index (OCINDEX.NET/COUNTRY/BURUNDI)

institutional, and legal compliance. It is a signatory to several international conventions aimed at combating these global scourges. In this context, Burundi has made considerable efforts to strengthen its legal and institutional framework to align with international best practices by adopting the 2008 AML/CFT Act (currently under revision to comply with FATF requirements) and establishing the National Financial Intelligence Unit (CNRF), which is in the process of becoming fully operational. Burundi has been a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) since September 2023 and is implementing the recommendations of the High-Level Mission (HLM) in preparation for a mutual evaluation.

65. However, it has been observed that the internal threat, characterized by a concerning criminal environment—even of a mafia-like nature¹⁸ (well-organized and involving powerful individuals)—is much more significant compared to the external threat, which is also exacerbated by internal complicity on one hand and weaknesses in border control mechanisms on the other.

1.1.2. Overall Level of Money Laundering Risk in Relation to ML Threats and Vulnerabilities

Graph No. 2: Map of the Overall Level of Money Laundering Risk in Relation to Threats and Vulnerabilities



¹⁸ World Bank evaluation report, 2012

1.1.2.1. Threat of Money Laundering at the National Level

66. The overall level of threat is "**high**." The multiplicity of criminal acts, the increasing complexity of criminals' modus operandi, the presence of attractive products (precious minerals such as gold, cassiterite, tin, and others, export products, etc.) on the global market, as well as porous borders facilitating all forms of trafficking, have led to the assessment of the overall ML threat being at a high level. Most of the identified predicate offenses were committed within the national territory. It was noted that the external threat is also present, although difficult to measure due to a lack of data.

67. Indeed, Burundi is located in the Great Lakes region and shares borders with three countries: the Democratic Republic of Congo (DRC) to the west, Rwanda to the north, and Tanzania to the southeast. This geographical position in a sub-region characterized by repeated violence and wars exposes Burundi to security threats and money laundering. Additionally, the illicit trade of subsoil resources from the DRC is common, while the borders shared with Burundi are porous. In this context, the level of ML threat in Burundi was naturally analysed by considering the flow of goods transiting through its neighbouring countries.

68. The compilation of data from law enforcement agencies highlights the five most frequent offenses for the period 2021–2023: embezzlement of funds, corruption, tax crimes (tax evasion, tax/customs fraud, and smuggling). Drug trafficking, arms trafficking, and human trafficking constitute other crimes that generate proceeds difficult to estimate due to insufficient data on amounts, but which remain significant.

Table No. 1: Summary of Results on Predicate Offenses

Assessment period	Type of offence	Number of cases detected	Estimated proportion (%) of detected cases vs. Actual cases
2021-2023	1. Corruption	114	0.5 %
	2. Bribery	407	0.5 %
	3. Embezzlement of funds	294	10 %
	4. Fraudulent management	55	10 %
	5. Human trafficking	255	40 %
	6. Wildlife and Flora trafficking	15	35 %
	7. Tax evasion	249	50 %
	8. Customs evasion	205	40 %
	9. Smuggling	978	20 %
	10. Robbery	11 443	70 %
	11. Drug Trafficking	784	20 %

Sources: Prepared by the Working Group based on data collected from prosecution offices and courts.

69. This table shows the number of cases detected and the estimated proportion (%) of detected cases compared to actual cases for each offense. The collected data were analysed based on:

- Distribution by predicate offense;
- Distribution by origin;
- Distribution by sector;
- Overall assessment.

1.1.2.1.1. Distribution by Predicate Offense

70. The data collected on each predicate offense allowed for the classification of the main crimes likely to lead to money laundering, taking into account the number of cases identified and the amounts involved in the offenses. Thus, the predicate offenses identified as the most relevant, ranked in descending order, are:

- Embezzlement of public funds;
- Tax crimes (tax evasion, tax and customs fraud, smuggling);
- Corruption and bribery;
- Trafficking of minerals and precious stones;
- Drug trafficking;
- Human trafficking.

71. Offenses related to human trafficking and drug trafficking suffer from a lack of data on the amounts recovered. Indeed, for these offenses, most of the individuals arrested are not classified as drug or human traffickers but as intermediaries between the principals and the recipients.

1.1.2.1.2. Distribution by Origin

72. Most of the identified predicate offenses are committed in Burundi. However, the Global Initiative report¹⁹ highlights a complex picture of transnational organized crime involving Burundi, characterized by the trafficking of minerals (gold, cassiterite, tin, and other precious minerals) and protected species (poaching and trafficking of ivory and other wildlife), which thrive due to corruption and porous borders. As for drug trafficking, Burundi is known as a "transit country for cocaine and heroin, and the consumption of these substances, particularly 'Boost,' a mixture of heroin and other drugs, is on the rise."

¹⁹ Global Initiative Report on the 2021 GLOBAL ORGANIZED CRIME INDEX

1.1.2.1.3. Distribution by Sector/Fiscal Sector

73. The Working Group was unable to analyse predicate offenses by sector due to the lack of specific data for each sector. However, the fiscal sector attracted particular attention and was subjected to an in-depth analysis.

1.1.2.1.3.1. Overview of the Fiscal Sector

74. Taxation in Burundi is a crucial area for financing public services and the country's economic development. To ensure optimal collection of tax and non-tax revenues, the Burundian government established the Burundi Revenue Authority (OBR) in July 2009.

75. This tax and customs administration has the following responsibilities:

- Advising the government on all matters related to fiscal policy;
- Promoting compliance with tax obligations;
- Advising local authorities, upon request, on the establishment and collection of their revenues;
- Assisting the government in implementing measures to promote investment and trade;
- Combating tax fraud and evasion and cooperating for this purpose with other competent authorities in Burundi and abroad.

76. In Burundi, the tax system includes several types of taxes²⁰, namely:

- 1) Personal income tax;
- 2) Corporate income tax;
- 3) Value-added tax (VAT);
- 4) Consumption taxes;
- 5) Rental income tax for individuals and legal entities;
- 6) Tax on income earned by de facto associations, non-profit organizations, and any other entity, regardless of its form, purpose, or the outcome of its activities, engaged in profit-making operations;
- 7) Real property tax;
- 8) Non-tax revenues.

²⁰ Act No. 1/12 of November 25 concerning fiscal and non-fiscal procedures

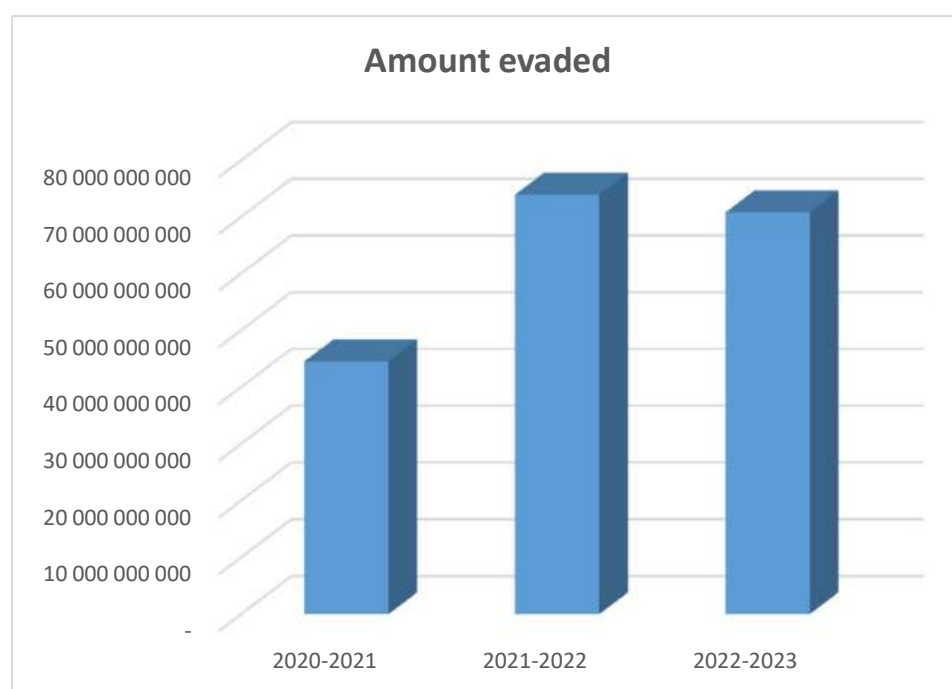
77. Despite the efforts made by the OBR in collecting customs and tax revenues, which increased from 1,156.4 billion Burundian Francs (BIF) for the fiscal year 2020–2021, to 1,348.23 billion BIF for the fiscal year 2021–2022, and to 1,653.66 billion BIF for the fiscal year 2022–2023²¹, challenges related to revenue collection persist. These include:

- The lack of digitalization in the services of the Internal Tax Department;
- The persistence of tax fraud and corruption;
- The predominance of the informal sector.

1.1.2.1.3.2. Determining the Impact of Known Fiscal Crime Threats

78. The results of the assessment on the national ML threat revealed that:

- The percentage of tax offenses compared to the total number of taxpayers during the study period represents 8% for the fiscal year 2020–2021, 7% for the fiscal year 2021–2022, and 9% for the fiscal year 2022–2023;
- The annual amount of known tax losses also represents 1% of GDP;
- The total amount of taxes evaded through known offenses per year is 44,518,671,262 BIF, 73,921,465,514 BIF, and 70,821,861,837 BIF for the fiscal years 2020–2021, 2021–2022, and 2022–2023, respectively.



79. Considering the percentage of tax evasion relative to GDP, the general observation is that tax crime in Burundi constitutes a significant threat.

²¹ OBR 2023 report

1.1.2.1.3.3. Evaluation of the Relative and Perceived Threat of Tax Crimes Through the Assessment of Incidence and Proceeds

a. Evaluation of the Context of Burundi

80. The evaluation of Burundi's context regarding tax crimes is based on the following criteria:

- (Perceived) level of institutional corruption;
- Size of the informal economy;
- Number of businesses heavily reliant on cash;
- Exposure to countries with business/financial secrecy.

a.1. (Perceived) Level of Institutional Corruption

81. Corruption is one of the country's major problems. It hampers the proper functioning of institutions and the country's development. According to the Integrated Household Living Conditions Survey of Burundi 2019/2020 (EICVMB), nearly 80% of the population considers this phenomenon a serious problem. A significant proportion (14.6%) of citizens have a less definitive opinion, considering corruption rather a problem²².

82. The Burundian government has established various structures to combat this scourge, including the Special Anti-Corruption Brigade (currently abolished), the Anti-Corruption Court and its Prosecutor General, the General State Inspectorate, the Court of Auditors, Ministry Inspections, and the CNRF (Financial Intelligence Unit).

83. Despite all these efforts, the indicator related to control of corruption has continued to decline, dropping from 5.2 to 2.9 points in 2021, with a slight recovery in 2022 with a score of 4.2 points²³.

84. The tax administration is not spared from this scourge. The Working Group observed that the level of institutional corruption is high.

85. In Burundi, corruption related to tax fraud manifests itself in:

- Manipulation of tax declarations: Some corrupt officials²⁴ participate in manipulating taxpayers' tax declarations in exchange for bribes. This may include underreporting income, overstating expenses, or even illegal tax exemptions;
- Submission of non-compliant declarations (monthly, quarterly, annually) with tax administration requirements: The corruption of taxpayers with accounting professionals increases tax crimes related to underreporting.

86. To reduce the threat of tax crime linked to corruption, the working group proposes the following recommendations:

- Strengthen internal controls to ensure adequate supervision of tax processes;

²² Revised NDP 2023-2027, pages 89 and 90

²³ World Governance Indicators (2022 Report), page 90

²⁴ For fiscal year 2022-2023, 23 employees were made redundant and 9 redundancies for fiscal year 2020-2021(OBR report)

- Use advanced technologies to automate tax processes and reduce opportunities for human intervention;
- Strengthen international cooperation to exchange information and combat cross-border tax crime;
- Enhance transparency, integrity, and accountability within the tax administration.

a.2.Importance of the informal economy

87. According to the INSBU 2023 report, the informal economy accounts for 58% of Burundi's GDP. Additionally, the annual supervision report from the Burundian Central Bank (as of December 2022) shows a low banking penetration rate (16.8%). The dominance of the informal economy has several consequences for the country's overall economic sectors. These include, among others:

- **Lack of traceability of transactions:** Transactions are often in cash and are not always recorded or declared to the tax authorities. This makes it difficult to trace funds and facilitates tax crimes;
- **Opacity of activities:** The activities of some individuals escape the control of the tax administration, allowing them to conceal illicit income among legitimate financial flows. This can include underreporting of income, non-payment, or the use of false invoices;
- **Weaknesses in regulation and oversight:** Activities in the informal economy often escape strict regulation and monitoring by the tax authorities.

88. To mitigate these risks, tax authorities should:

- Strengthen regulation and oversight of economic transactions, including those in the informal economy;
- Improve tax data collection (identification of taxpayers);
- Adopt advanced financial monitoring technologies;
- Collaborate with other national and international agencies to detect and prevent money laundering (ML);
- Raise awareness and educate economic players about the risks associated with money laundering in the informal economy

a.3. Number of businesses with high cash usage

89. During the analysis of the multi-jurisdictional structure, the control system exposes the country to various forms of cross-border money laundering. This is explained by the financial inclusion rate (16.8%). Over 83% of cash transactions leave no written trace, thus providing more opportunities for tax crimes.

b. Evaluation of the incidence and proceeds of tax crimes (by tax source)

90. The evaluation of the incidence and proceeds of tax crimes is based on the following incidence and proceeds variables:

- Proportion of tax revenues (%);

- Incidence;
- Amount evaded;
- Tax crimes/delinquencies.

b.1. Proportion of evaded tax revenues (%)

Table 2: Evolution of indicators in percentage of evaded taxes

Indicator	2020-2021	2021-2022	2022-2023
Average annual percentage of tax evaded due to corporate tax-related crime	34.7%	52.63%	54.8%
Average percentage of tax evaded due to individual taxpayer-related crime	5.19%	7.49%	3.61%
Average percentage of VAT evaded due to fraud	55.78%	39.4%	33.54%
Percentage of tax crime cases related to the total number of salaried taxpayers	1%	2%	7%

91. In conclusion, tax crime is being reduced in the case of VAT, dropping from 55.78% in 2020-2021 to 33.54% for the 2022-2023 fiscal year.

92. Conversely, in the case of corporate tax-related crime, the evaded tax increased, going from 37.47% to 54.8% during the same periods. This indicates a high level of tax crime.

b.2 Incidence

93. To analyse the incidence, the working group considered the number of cases as a proportion relative to the total number of taxpayers. The table below shows the results of the analysis:

Table 3: Evolution of indicators on the incidence of tax crimes

Indicator	2020-2021	2021-2022	2022-2023
Percentage of tax crime cases related to the total number of taxpayers	8%	7%	9%
Percentage of tax crime cases related to the total number of individual taxpayers	0.61%	0.63%	0.1%
Percentage of tax crime cases related to the total number of corporate taxpayers	9.41%	7.5%	13%

Source: Created by the working group from data in the Burundi Revenue Authority report, 2023

94. According to the table above, the incidence rate related to the percentage of tax crime cases for corporate taxpayers is high.

b.3. Evaded amounts

Table 4: Evolution of evaded amounts

Fiscal Year	2020-2021	2021-2022	2022-2023
Evaded amount	44,518,671,262 BIF (15,059,934.12 USD)	73,921,465,514 BIF (25,006,415.65 USD)	70,821,861,837 BIF (23,957,870.79 USD)

Exchange rate on 12/11/2024: 1 USD = 2,956.10 BIF

Source: Created by the working group from data in the Burundi Revenue Authority report, 2023

b.4. Tax crimes/delinquencies

95. The evaluation of tax crimes is done by tax revenue flow. The criteria are as follows:

- **Non-declaration:** This consists of identified taxpayers who are not registered with the Burundi Revenue Authority, plus defaulters;
- **Underreporting:** This consists of adjustments made after verification, including document-based checks;
- **Non-payment:** This consists of declarations without payments, plus partial payments.

96. The heatmap below is generated based on the data obtained. It summarizes the evaluation and shows the exposure level of each tax revenue source.

Graphic No. 4: Heatmap of Tax Threats

97. The map reveals that the primary risk is observed in the VAT/GST collected, with a score of 0.6, indicating a high level of tax fraud.

"Money Laundering": Impact on the Proper Functioning of the National Economy

98. Money laundering (ML), in the context of the country, refers to the use of legitimate money to finance criminal activities aimed at generating higher profits. It refers to legitimate financial flows being diverted to illegal activities, such as drug trafficking, smuggling, mass speculation (including on the informal currency market or black market), or other forms of organized crime.

99. This phenomenon represents a threat to the economy and security of Burundi, as it has specific local characteristics.

100. Indeed, in Burundi, money laundering refers to informal economic practices where legitimate financial flows, or at least those obtained legally via the Burundian central bank and commercial banks, are diverted to unregulated financial activities, notably feeding the black market for currencies (USD, EUR). Interviews with some manual currency exchangers reveal a well-organized network involving powerful individuals.

101. This practice is encouraged and exacerbated by the difference between the official exchange rate and the black-market rate, which offers a large profit margin (more than twice the official rate). This practice is illegal and constitutes an offense against the proper functioning of the national economy, punishable by the Burundian Penal Code²⁵. Therefore, it would be relevant to conduct an in-depth study to better understand this phenomenon and propose specific measures to address it.

1.1.2.2. Vulnerability to Money Laundering at the National Level

102. National vulnerability to money laundering (ML) is determined by the level of vulnerability of all sectors (both financial and non-financial), as well as the country's overall capacity to combat money laundering.

103. The national capacity to fight ML is assessed as **weak**, while the vulnerability of all sectors is evaluated as **high**. As a result, the national vulnerability to ML is considered **high**.

1.1.2.2.1. National Capacity to Combat Money Laundering

Graphic No. 3. National Capacity to Combat ML

card

²⁵ Burundian Penal Code, Art.428 to 435

104. The national capacity to combat ML is assessed as **weak**.
105. Although Burundi has adopted laws against money laundering and terrorist financing, the effectiveness of these laws remains a challenge. The institutions responsible for fighting these crimes often lack resources and training.
106. In general, the insufficient capacity and resources for judicial procedures, the poor quality of the illegal asset confiscation framework, the lack of reliable identification infrastructure, the absence of independent sources of information, the predominance of the informal sector, and the unavailability of complete information on beneficial owners constitute weaknesses for the country in the fight against money laundering.
107. These weaknesses hinder the quality of investigations, prosecutions, judgments, illicit asset recovery, and consequently, the national capacity to combat ML.
108. The national capacity to combat money laundering (ML) is assessed as "**Weak**." This finding results from the evaluation of the 22 input variables listed below:

1. Quality of the Money Laundering and Terrorist Financing (ML/TF) Policy and Strategy Based on Risk

109. The working group noted the absence of a national risk-based policy and strategy, as well as the lack of a coordination authority. Indeed, the Board of Directors of the National Committee of the CNRF, which was supposed to play the coordinating role in ML/TF efforts, was abolished by a legislative reform in 2024²⁶ and replaced by a management committee that is not authorized to perform this function.

Recommendations:

- Develop a national ML/TF strategy;
- Appoint a coordination authority to oversee the implementation of policies in accordance with international standards.

2. Completeness of the Definition of the Crime of Money Laundering

110. The Burundian legislative system includes several texts that define and criminalize money laundering (ML) and related offenses. Act No. 1/12 of April 18, 2006, which addresses the prevention and repression of corruption, defines the crime of ML, although it considers ML as a related offense to corruption rather than an autonomous offense. Similarly, certain provisions of the ML/TF Act of February 4, 2008, and the Burundian Penal Code of 2017 include the definition of ML. However, certain underlying offenses to money laundering, such as piracy and stock market crimes, are

²⁶ Act no. 1/16 of June 07, 2024 amending Decree-Law no. 1/024 of July 13, 1989 on the organizational framework for state-owned administrative bodies.

not recognized as crimes or offenses under Burundian criminal law, despite being acknowledged by the FATF.

Recommendations:

- Harmonize the definition of the ML offense across various legislative texts and establish it as an autonomous offense, distinct from corruption.

3. Completeness of Laws on the Confiscation of Illicit Assets

111. The current legislation on the confiscation of criminal assets has strengths, particularly through laws such as Act No. 1/12 of April 18, 2006, against corruption, the Burundian Penal Code, and the Code of Criminal Procedure. These laws allow for the confiscation of assets linked to crimes, thereby strengthening the fight against economic crime.

112. However, gaps remain, particularly the lack of provisions in the ML/TF law of February 4, 2008, concerning the confiscation of assets linked to money laundering and terrorist financing, as well as the absence of specific laws for stock market crimes and piracy, which limits the effectiveness of confiscation actions in these areas, although they may not yet have direct relevance for Burundi. The quality of asset seizure management and illicit asset recovery is assessed as **weak**, characterized by poor management of seizures and a lack of coordination among the agencies involved in asset recovery.

113. Furthermore, the establishment of a special agency responsible for the management of seizures and the recovery of illicit assets is recommended according to international best practices. Indeed, many countries have created specialized agencies or units, such as the **Madagascar Illicit Asset Recovery Agency (ARAI)**, which play a key role in managing seized criminal assets, coordinating efforts between judicial and administrative authorities, and effectively implementing strategies to combat financial crime. These agencies are often responsible for managing the seizure of assets linked to money laundering, corruption, terrorist financing, and other serious financial offenses.

114. In this context, such an agency should be equipped with sufficient powers and resources to conduct investigations, carry out seizures, and manage seized assets, while adhering to international standards, such as those set by the Financial Action Task Force (FATF) and the United Nations Convention against Transnational Organized Crime. It should also operate autonomously, with close ties to judicial and regulatory authorities, while ensuring the transparency and efficiency of its operations.

115. Additionally, to maximize its effectiveness, this agency should be able to collaborate internationally, facilitating the recovery of assets on a global scale, particularly in cases where illicit assets are hidden abroad. This approach would not only improve the management of seizures but also strengthen the fight against organized crime and recover assets from illicit activities in Burundi.

Recommendations:

- Update existing laws to include the confiscation of proceeds and instruments linked to money laundering and address stock market crimes and piracy;
- Strengthen the capacity of actors involved in the confiscation of illicit assets, such as

judicial authorities and law enforcement agencies;

- Create a specialized agency for the management of seizures and the recovery of illicit assets.

4. *Quality of the collection and processing of CNRF intelligence*

116. Although the National Intelligence Unity (CNRF) was established by the 2008 Act (Art. 12) on ML/TF, it was only effectively created in 2020²⁷ and began its operationalization in August 2022 with the appointment of its first Permanent Secretary.

117. Among its priorities were updating the legal framework, recruiting and training staff, finding a building that meets security standards, integrating Burundi into the ESAAMLG, and preparing for the mutual evaluation (ME).

118. The CNRF has recently recruited several staff members, bringing the total to 45 members, distributed as follows: one Permanent Secretary (1); one Assistant to the Permanent Secretary (1); one Secretary to the Permanent Secretary (1); two Technical Advisors; three Senior Officers responsible for writing, translation, and communication; one driver; one office assistant; nine staff members in the Compliance and Training Department; five staff members in the Financial Research and Analysis Department; three staff members in the Judicial Affairs and International Cooperation Department; five staff members in the Information Technology and Financial Cybercrime Department; eight staff members in the Administration and Finance Department; one staff member in the Illicit Asset Recovery Department; and three staff members in the Terrorism Financing Department.

119. The Permanent Secretary (PS) is appointed by decree from the minister in charge of finance, who can be removed from office in the event of serious misconduct. The PS is responsible for recruiting other CNRF staff, whom they submit for approval to the minister. The CNRF primarily receives its budget from the Ministry of Finance, Budget, and Economic Planning and is housed within the ministry's premises.

120. Most of the CNRF staff lack specific skills that would enable them to effectively carry out their Anti-Money Laundering (AML) mission.

121. This nascent state of the FIU seems to justify the lack of results in handling financial information. Indeed, out of 14 Suspicious Transaction Reports (STRs) received, 10 were analysed, 4 are ongoing, and none have yet been disseminated to the judiciary. During the evaluation period, the CNRF organized four (4) training and awareness workshops for 168 participants, mainly members of the Unit, banks, and Microfinance Institutions (MFIs). In the same period, eight (8) AML/CFT compliance control missions were conducted involving banks and MFIs.

²⁷ Decree of March 16, 2020, establishing the creation, missions, organization, and functioning of the National Intelligence Unit of Burundi.

122. The CNRF faces significant weaknesses, including a lack of independence and operational autonomy, as it is housed within the Ministry of Finance and depends on its slow administrative and budgetary processes. Furthermore, the CNRF suffers from a lack of resources, including financial, logistical, and technical skills, as well as a lack of a building that meets hygiene and safety standards.

123. These shortcomings limit its effectiveness in processing Suspicious Transaction Reports (STRs). Additionally, its staff lacks specific training to carry out in-depth financial analyses. The CNRF does not receive many STRs, as a large portion of reporting institutions have yet to start submitting STRs to the CNRF.

Recommendations:

- Strengthen the independence and autonomy of the CNRF, particularly by providing a secure building, an independent budget, and adequate logistical means;
- Implement specific training programs for CNRF staff and stakeholders in the AML/CFT chain to improve their skills and effectiveness in analysing Suspicious Transaction Reports (STRs);
- Facilitate the CNRF's membership in the Egmont Group to strengthen international cooperation;
- Finally, sanctions should be introduced to ensure the systematic submission of STRs, in order to make the system more effective and to combat money laundering and terrorist financing effectively.

Evaluation of the Quality of Burundi's Criminal Justice Chain in AML/CFT.

Presentation

124. The criminal justice chain in Burundi is a rigorous process involving a series of successive steps, each carried out by distinct actors. These actors—namely the police, intelligence services, the public prosecutor's office, and the courts—work closely together to enforce the law and ensure justice. The police and intelligence services are responsible for conducting investigations, gathering evidence, and identifying the alleged perpetrators, using investigative powers exercised under judicial supervision. The public prosecutor, represented by the prosecutor general, ensures that the law is applied and supports the prosecution in court. Finally, judges, who are the guarantors of impartiality, ensure the proper conduct of trials and render verdicts, while safeguarding the rights of all individuals involved.

Analysis

125. The Burundian criminal justice chain, facing the growing complexity of financial crimes, encounters multiple challenges that undermine its effectiveness. The quality of this chain is evaluated based on several variables related to the capacity, resources, integrity, and independence of the actors involved in investigating and prosecuting financial crimes, including the confiscation of illicit assets. These variables can be grouped into two categories: those concerning capacity and resources, and those addressing integrity and independence.

a. Capacity and Resources

126. Variables related to capacity and resources include:

5. The capacity and resources for investigating financial crimes (including the confiscation of illicit assets).

6. The capacity and resources for agencies responsible for prosecuting financial crimes (including the confiscation of illicit assets).

7. The Capacity and Resources for Judicial Procedures (including the confiscation of illicit assets)

127. Investigating bodies such as the judicial police, the National Intelligence Service, customs officers, and the public prosecutor's office lack human, material, and financial resources. This situation significantly limits their ability to conduct thorough investigations, especially in financial crimes, which require specific technical expertise. As a result, investigations into complex cases, such as money laundering, are often poorly executed due to a lack of specialized training and adequate resources.

128. Furthermore, the recent judicial reform²⁸ introduced a dispersion of competencies across various jurisdictions, reducing the overall effectiveness of the judicial system. The specialized chambers created within the High Courts, now responsible for handling money laundering cases, may dilute the necessary expertise to deal with these complex matters, often linked to sophisticated criminal networks. The level of corruption within the judicial system and the potential pressure from powerful individuals could lead to unjustified dismissals of cases. Some professionals interviewed on the subject express concerns about the system's effectiveness, fearing biased handling of cases, especially when they involve influential figures due to the “significant” amounts of money often involved in money laundering cases.

b. Integrity and Independence

129. Variables related to the integrity and independence of actors involved in fighting financial crimes include:

8 Integrity and independence of investigators handling financial crimes (including the confiscation of illicit assets).

9 Integrity and independence of financial crime enforcement agencies (including the confiscation of illicit assets).

10 Integrity and independence of judges (including the confiscation of illicit assets).

28 Act No. 1/26 of December 26, 2023, concerning the Code of Judicial Organization and Competence.

130. The integrity and independence of investigators have been rated as weak. Although legal frameworks exist to protect the integrity of investigators, such as codes of conduct and ethics, significant weaknesses hinder their effectiveness. External influences, a lack of technical expertise in the fight against money laundering (AML), and a high level of corruption affect the independence and integrity of investigators, which compromises the quality of their investigations.

131. The judicial system of Burundi is based on the fundamental principle of judicial independence, as enshrined in the Constitution. This principle guarantees that judicial decisions are not influenced by external pressures, particularly political ones. However, although

disciplinary sanctions exist for judges who fail to comply with ethical rules, but available data shows that these sanctions are insufficiently applied and often disproportionate.

132. Corruption is a notorious problem in the judiciary system and deeply affects the integrity of the bodies responsible for prosecuting financial crimes. This corruption is compounded by political interference and the influence of powerful individuals (particularly the wealthy) in investigations and prosecutions, thus limiting the judiciary's capacity to effectively combat economic crimes. The existing sanctions, primarily administrative, are often deemed insufficient to deter corrupt behaviours. Furthermore, public trust in the judiciary is increasingly eroded, fuelled by perceptions of selective justice and the failure to address financial crimes committed by influential individuals.

Recommendations:

- **Strengthen institutional capacities:** It is essential to equip investigative bodies and courts with the necessary human, material, and financial resources to carry out their missions. Special attention should be paid to the specialized training of investigators and magistrates, particularly in financial investigations and managing complex money laundering cases.
- **Create a specialized jurisdiction:** Establishing a jurisdiction exclusively dedicated to combating financial crimes would help concentrate expertise and improve the effectiveness of prosecutions. This would ensure better management of money laundering and other financial crime cases.
- **Fight against corruption:** Strengthening control mechanisms, implementing deterrent sanctions, and promoting transparency in public functions are crucial. Corruption must be tackled at all levels of the judiciary, especially within the bodies responsible for prosecuting financial crimes.

11. Quality of border controls

133. Burundi has implemented a policy aimed at strengthening border controls, deploying agents from various services (Burundi Revenue Authority, Migration Police, National

Intelligence Service, Bureau Burundais de Normalisation (BBN), Ministry of Agriculture) to conduct investigations. This initiative is commendable and demonstrates a commitment to securing the borders.

134. However, several weaknesses persist that undermine the effectiveness of these controls. Burundi's geographical situation, with porous borders and numerous routes available to smugglers, makes enforcement challenging. Moreover, the lack of modern control equipment, such as scanners and drones, as well as insufficient customs personnel, significantly limits surveillance capacities. The absence of a centralized system for collecting and analysing data also hinders better coordination and anticipation of threats.

Recommendations:

- Expand the customs workforce;
- Equip customs services with necessary tools to detect illicit cash movements, such as scanners, detection software, centralized databases, and allocate sufficient budgets to ensure the proper functioning of customs services;
- Customs officers should receive regular training to acquire the necessary skills for detecting fraud and illicit trafficking;
- Customs controls must be strengthened across the entire territory, particularly at the most vulnerable border crossing points;
- The customs administration should conduct an in-depth risk analysis related to illicit trafficking to adapt its control strategies accordingly;
- Create a centralized data collection and analysis system which will improve coordination between different services, detect trends, and adapt strategies in real-time.

12. Completeness of the customs regime regarding cash and similar instruments

135. The customs regime concerning cash and similar instruments within the East African Community has several strengths, notably a solid legal framework, with the East African Community Customs Code and the Common External Tariff (TEC) governing cross-border exchanges. Additionally, raising passenger awareness of declaration obligations by customs officers enhances compliance.

136. The regulation on cash thresholds is also an asset, helping prevent money laundering and terrorism financing by limiting the amount of cash passengers can transport without declaring it. These measures ensure some rigor in controlling the movement of cash and similar instruments within the region.

137. However, the system has several weaknesses that limit its effectiveness. The lack of material and technical resources makes optimal border monitoring and management difficult, potentially allowing individuals to circumvent the rules.

138. Furthermore, weak international cooperation and the lack of coordination between customs authorities and security agencies exacerbate the issue. Identifying high-risk passengers is also hindered by a lack of appropriate technical tools.

Recommendations:

- Strengthen cooperation with neighbouring countries and international organizations to exchange information, coordinate anti-money laundering and anti-terrorism financing

efforts, and establish mechanisms to track cross-border financial movements, particularly to identify "mules" used by criminals;

- Strengthen coordination among the various services involved in the fight against money laundering and the financing of terrorism (customs, police, intelligence, etc.) to optimize resource use and improve the effectiveness of actions taken;
- Regularly strengthen the capacity of agents so that they can adapt to new criminal trends and methods related to cross-border transportation.

13. Effectiveness of customs controls on cash and similar instruments

139. The customs control system in Burundi has undeniable strengths. A solid legal framework, agents with legal powers, and the use of modern technologies provide a solid foundation for effectively combating money laundering and terrorism financing. However, several weaknesses persist. The insufficiency of material and human resources, the lack of coordination between various services, and the inability to systematically identify high-risk passengers significantly limit the effectiveness of controls.

Recommendations:

- Increase investments in material and human resources for customs;
- Strengthen cooperation between various services involved in border control;
- Provide continuous training for customs agents to enable them to face evolving trafficking methods;
- Establish a risk analysis system to target controls on passengers and goods most likely to pose a risk.

14. Effectiveness of national cooperation

140. Burundi has made significant progress in the fight against money laundering (ML). The creation of the CNRF and the revision of the 2008 anti-money laundering law demonstrate a commitment to strengthening the fight against this scourge.

141. However, significant challenges remain. The lack of effective coordination among the various actors, the absence of information-sharing mechanisms, and the lack of a legal framework for joint investigations are major barriers to the effectiveness of the fight against ML. Additionally, the elimination of the FIU's Board of Directors²⁹ has weakened the coordination of the ML/FT efforts.

Recommendations:

- Establish a robust coordination framework involving all stakeholders (political authorities, judicial authorities, administrative authorities, etc.);
- Create a secure and confidential information-sharing mechanism;
- Increase awareness among economic actors and public agents about the risks of money laundering and their declaration obligations.

²⁹Act No. 1/16 of June 7, 2024.

15. Effectiveness of International Cooperation

UN Conventions and Special Resolutions

142. The Republic of Burundi signed the Palermo Convention (Convention against Transnational Organized Crime) on December 14, 2000, and ratified it on May 24, 2012. It acceded to the United Nations Convention against Corruption (UNCAC/Merida Convention) on March 10, 2006, and adhered to the Vienna Convention (Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988) on February 18, 1993. Burundi is not a party to the United Nations International Convention for the Suppression of the Financing of Terrorism of 1999, as it has only signed it. It has not yet ratified it. Therefore, Burundi is a party to three out of four conventions as required by Recommendation 36 of the FATF.

Judicial Cooperation

143. Act No. 1/02 of February 2008, relating to the fight against money laundering and the financing of terrorism, in its Chapter IV on international cooperation, provides provisions for judicial assistance. Article 33, Section 1, specifies that judicial assistance must be provided and can include taking testimonies or statements, assisting with the availability of detained persons or others to the judicial authorities of the requesting state for testimony or to assist in investigations, delivering judicial documents, conducting searches and seizures, examining objects and places, providing information and evidence, and delivering original or certified copies of relevant files and documents, including bank statements, accounting documents, documents showing the operation of a business and its commercial activities.

144. Article 34, paragraph 1, states that at the request of a foreign state, requests for judicial assistance concerning crimes covered by the Burundian Penal Code, such as terrorism, financing of terrorism, and money laundering, are carried out in accordance with the principles defined in this chapter. This means that Burundi is capable of executing requests for judicial assistance related to money laundering, terrorism financing, and terrorism from other states. All international requests are received in Burundi via the Ministry responsible for Foreign Affairs.

145. However, the law is silent on outgoing requests related to money laundering and terrorism financing. The provisions of the law do not extend to assistance in confiscation and seizure matters. Furthermore, the law does not clearly designate the central authority responsible for judicial cooperation.

Extradition

146. Act No. 1/02 of February 2008, relating to the fight against money laundering and the financing of terrorism, in Chapter IV concerning international cooperation, provides provisions related to extradition. Section 2, Article 36, states that in order to ensure the effectiveness of prosecuting terrorism offenses, terrorism financing, and money laundering, requests for the extradition of individuals sought for prosecution in a foreign state must be executed promptly. The procedures and principles outlined in the extradition treaty in force between Burundi and the requesting state are applied. In the absence of bilateral extradition treaties, the conditions, procedures, and effects of extradition are determined by the provisions of the extradition law.

147. Article 37, Section 2, outlines exceptions in which extradition may be refused.

These include the following cases:

- The offense for which extradition is requested is considered by Burundi as a political offense, or if the request is based on political considerations;
- There are serious grounds to believe that the request has been made in order to prosecute or punish an individual due to their race, religion, nationality, ethnic origin, political opinions, gender, or status, or that the individual's situation could be compromised for any of these reasons.

148. However, the law does not provide for simplified extradition procedures. It also does not specify whether Burundi can extradite its own citizens.

Other Forms of International Cooperation

149. For all other forms of international cooperation, the bilateral agreements signed by the Government of Burundi govern the cooperation process. Additionally, the National Police of Burundi has a designated office responsible for INTERPOL, which it also uses for information exchange.

150. In practice, all international cooperation requests are handled through diplomatic channels, via the Ministry of Foreign Affairs through the Legal Affairs Office.

151. The request is then forwarded to the Ministry of Justice for further action and examination. The Ministry of Justice, in turn, sends the request to the Attorney General or any other competent authority for processing the assistance.

Recommendations:

- It is recommended that Burundi prioritize the ratification of the United Nations International Convention for the Repression of the Financing of Terrorism of 1999;
- It is recommended that the proposed amendment to the money laundering law include provisions/procedures for outgoing mutual legal assistance requests and provisions for judicial cooperation related to tracing illicitly obtained assets, proceeds, confiscation, and seizure;
- Authorities should ensure the implementation of mechanisms for incoming and outgoing judicial assistance seizure;
- It is also recommended that the amendments include simplified extradition procedures, clearly stating that Burundian citizens can be extradited, provided that such a measure does not contradict the spirit of the Constitution of Burundi.

16. Availability of an Independent Audit

152. The independence of audits in financial entities relies on several factors, such as the presence of independent audit firms and the regular rotation of auditors. These practices help ensure objectivity and transparency in audits. However, there are several weaknesses, notably a lack of communication between the various stakeholders (the reporting entities, auditors, and supervisory authorities), which hinders effective collaboration. Additionally, some entities fail to comply with the legal requirements for auditor rotation stipulated by the 2017 Banking Act. There is also a lack of formal evaluation of auditors' performance, and insufficient involvement of accountants in detecting and reporting suspicious transactions.

Recommendations:

- Strict enforcement of legislation regarding auditor rotation and performance evaluation;
- Encourage open and regular communication between supervisory authorities, auditors, and the accounting profession.

17. Level of Financial Integrity

153. The country's financial integrity level shows both strengths and significant weaknesses in the legal and institutional framework. On the one hand, the country has a robust set of laws aimed at strengthening professional ethics and transparency, such as the 2018 General Tax Code, the 2017 Banking Act, and the 2006 Anti-Corruption Act. These legal instruments ensure a regulatory framework for businesses and financial institutions. Furthermore, although anomalies are sometimes observed in adherence to codes of conduct, the number of violations remains relatively low. Additionally, sanctions for wrongdoing, whether criminal or ethical, are varied and deterrent, and professional secrecy does not hinder tax and criminal investigations.

154. However, the effective implementation of these laws remains a major challenge. The mechanisms in place, although existing on paper, have significant gaps, particularly in their application on the ground. Corruption, which is prevalent in the country, largely undermines the effectiveness of these measures, making the country's financial integrity vulnerable.

Recommendations:

- Strengthen the enforcement of legislation;
- Improve transparency and accountability.

18. Effectiveness of Tax Collection: see 1.1.2.1.3

19. Level of Formalization of the Economy

155. According to the INSBU 2023 Report, the informal economy represents 58% of Burundi's GDP. The Burundian Central Bank's annual supervision report (end of December 2022) shows a low banking rate of the population (16.8%). The dominance of the informal economy has several consequences on various sectors of the country's economic life. These include:

- **Lack of transaction traceability:** Transactions are often made in cash and are not always recorded or reported to the tax authorities. This makes it difficult to trace funds and facilitates tax evasion;
- **Opacity of activities:** The activities of some individuals escape the control of the tax administration, allowing them to hide illicit income within legitimate financial flows. This can include underreporting income, non-payment of taxes, or the use of false invoices.
- **Weaknesses in regulation and oversight:** Activities in the informal economy often evade strict regulation and oversight by tax authorities.

156. To mitigate these risks, tax authorities should:

- Strengthen the regulation and oversight of economic transactions, including those in the informal economy;
- Improve tax data collection (identification of taxpayers);

- Adopt advanced financial monitoring technologies;
- Collaborate with other national and international bodies to detect and prevent money laundering;
- Raise awareness and educate economic actors about the risks of money laundering in the informal economy.

20. Availability of Reliable Identification Infrastructure

157. There is no centralized and secure database for identity-related information (birth certificates) and civil status, which prevents the systematic and reliable identification of citizens and, consequently, creates gaps in identity verification processes.

158. This situation constitutes a major obstacle to effectively conducting KYC (Know Your Customer) or CDD (Customer Due Diligence) procedures for reporting institutions.

159. Additionally, the National Identity Card (NIC), although often used as the primary identification document, has significant flaws, including the possibility of possessing multiple cards simultaneously. This allows the same person to be identified under different identities, making verification systems less reliable and more vulnerable to fraud.

Recommendations

a. Establish a centralized and secure database by:

- **Creating a National Identification Register (NIR):** This centralized register would collect, store, and securely update birth certificate and civil status information for all Burundian citizens;
- **Integrating biometric data:** Including fingerprints and facial recognition in the NIR would significantly enhance security and the uniqueness of each identity;
- **Collaborating with financial institutions:** The NIR should be interconnected with the systems of financial institutions to facilitate KYC and CDD processes.

b. Improve the National Identity Card (NIC) by:

- **Strengthening security measures:** The NIC should be equipped with advanced security features, such as electronic chips, holograms, and special inks, to make counterfeiting more difficult;
- **Implementing an online verification system:** Competent authorities should be able to verify the authenticity of an NIC in real-time and access the holder's information.

21. Availability of Reliable Independent Information Sources

160. The current strengths in the availability of independent and reliable information sources include enhanced supervision of credit institutions to ensure the implementation of vigilance requirements and adequate controls in the fight against money laundering and the financing of

terrorism (AML/CFT)³⁰. Furthermore, data on customer transactions is accessible, enabling increased monitoring and control. However, weaknesses remain, including the limited availability of reliable information for certain institutions, the lack of data on customers of non-financial payment institutions (NFIs), and a general lack of independent financial information sources.

Recommendations:

- Improve the availability of reliable independent sources of information;
- Strengthen access to these sources.

20. Availability of a reliable identification infrastructure

161. There is no centralized and secure database for identity information (birth certificate) and civil status, which prevents systematic and reliable identification of citizens and therefore creates gaps in identity verification processes. This situation constitutes, in fact, a major obstacle to effectively carrying out KYC (Know Your Customer) or CDD (Customer Due Diligence) procedures for reporting institutions. In addition, the National Identity Card (NIC), although often used as the main identification document, has significant flaws, including the possibility of holding several simultaneously. This allows the same person to be identified under different identities, making verification systems less reliable and more vulnerable to fraud.

Recommendations:

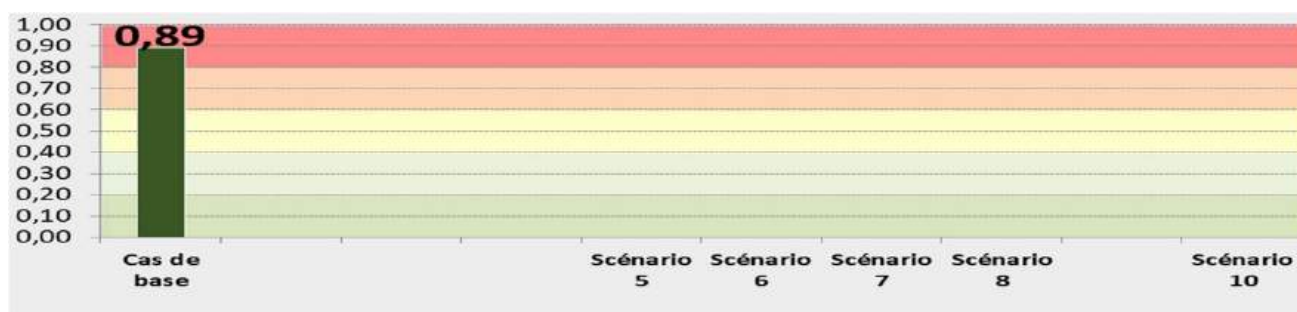
- Establish a national register of beneficial owners, accessible to the competent authorities (this register must be supplied with information provided by legal entities and regularly updated);
- Establish a regulatory framework that specifies the procedures for identifying beneficial owners, the obligations of reporting entities and the sanctions applicable in the event of non-compliance;
- Develop an interconnected identification system (which will allow information from different sources to be cross-referenced and improve the effectiveness of controls).

1.1.2.2.2. Overall vulnerability arising from sectors

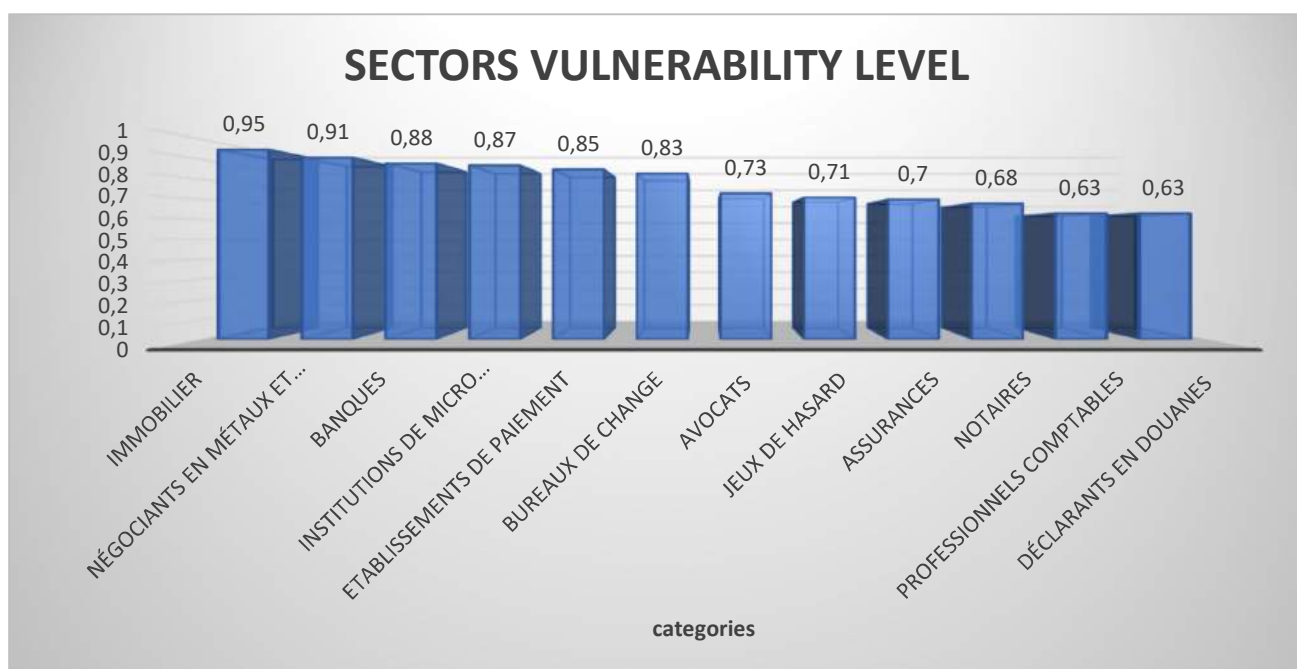
163. The vulnerability of all sectors is the sum of sectoral vulnerabilities, taking into account the **weight of each sector in the economy. It has been assessed at a high level**

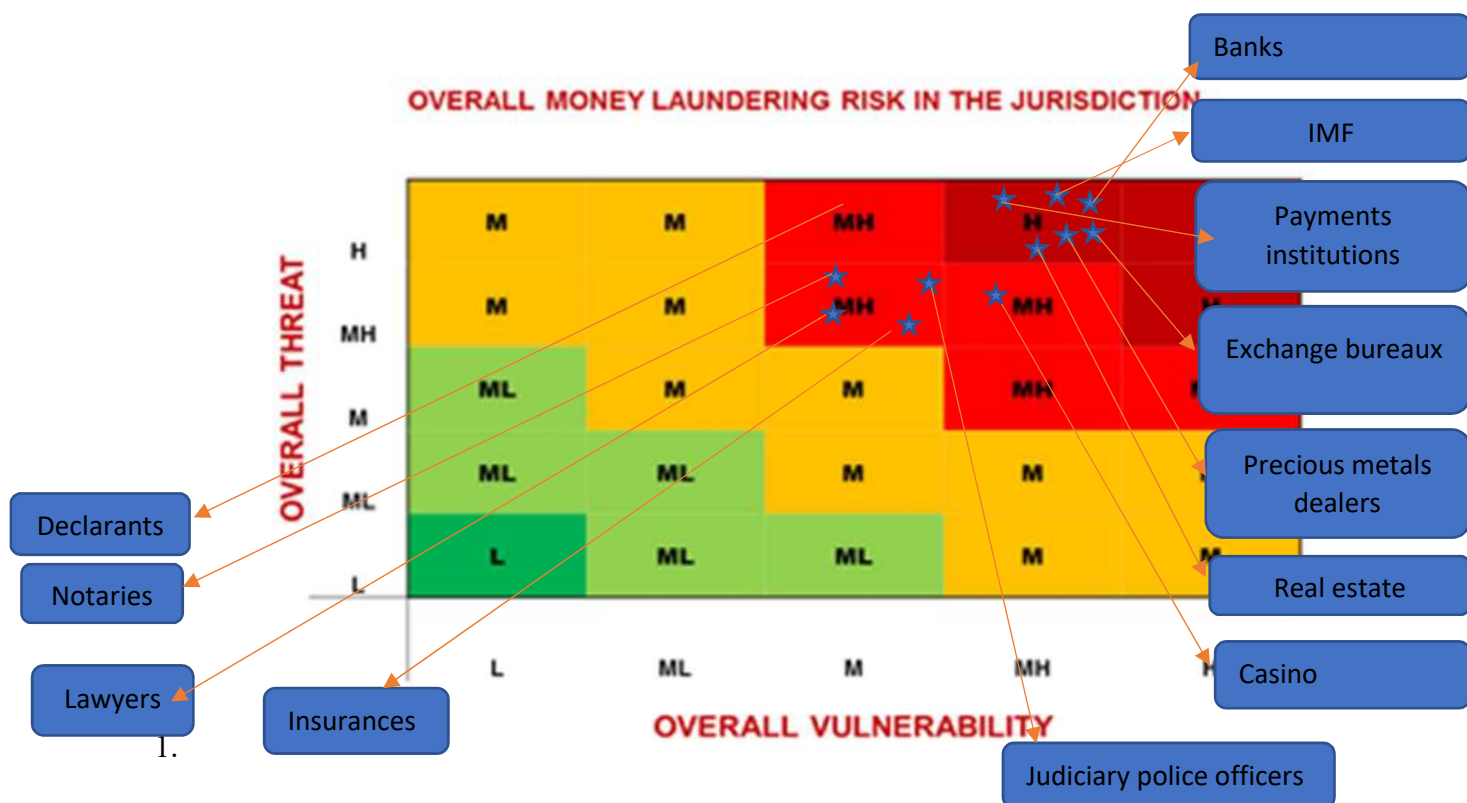
Vulnerability of all sectors

³⁰ Anti-money laundering regulations of April 2023



163. Sectoral vulnerability is determined by the vulnerability of each sector. Indeed, the closer the sector's vulnerability **level** is to 1, the more the sector is exposed to the risk of ML.





L = Low; ML = Medium Low; M = Medium; MH = Medium High; H = High

164. According to the table above, all sectors present a **high level of risk**, except for the sectors of judiciary police officers, lawyers, notaries, customs declarants and insurance which present a **medium-high level of vulnerability**.

60. For these sectors, the main weaknesses are :

- Absence of a clearly identified supervisory body in laws and regulations;
- Absence of a supervisory practice;
- Lack of risk-based AML training and awareness programs for staff;
- Subjects, apart from banks, have not yet implemented the provisions of the AML/CFT law;
- Ineffective detection and reporting of suspicious transactions;
- Lack of knowledge in AML/CFT matters.

1.1.2.2.2.1. Vulnerability of the financial sector

165. The financial sector in Burundi includes banking institutions, such as banks, microfinance institutions (MFIs), exchange bureaux and payment institutions, as well as non-banking institutions, including insurance companies, the INSS (Institut National de la Sécurité Sociale) , ONPR (Office National pour les Pensions et les Risques Professionnels) , and the MFP (Mutuelle de la Fonction Publique).

166. The assessment of this financial sector is done in two distinct categories, according to the control and regulatory authorities. On the one hand, banks, MFIs, exchange bureaux and payment institutions, regulated by the Bank of the Republic of Burundi (BRB), are grouped for the assessment under category (A). On the other hand, insurance, supervised by the Insurance Regulatory and Control Authority (ARCA), is the subject of a separate assessment, grouped in category (B).

A. Evaluation of FIs under the control and regulation of the BRB³¹

A.1. Presentation

A.1.1. Banks

167. The banking sector in Burundi consists of 15 credit institutions, including 14 commercial banks and 1 financial institution. Carrying out banking activities requires a license from the Bank of the Republic of Burundi (BRB), the authority responsible for regulating and supervising the sector. Banking Act No. 1/17 of 2017 refers to the 2008 Anti-Money Laundering Act, but does not explicitly give the BRB a role in regulating money laundering and terrorist financing.

168. Burundian banks are distinguished by the source of their capital: 4 banks with mixed capital, 3 with local private capital, 5 with foreign private capital, 2 with public capital, and 1 financial institution with mixed capital. The National Post Office (RNP) also has a large banking department, "Poste Finance", and its network covers the entire country with 146 service points and 388,489 active customers.

169. Banking products include current account management, savings account management, and electronic accounts. Customers can perform transactions in branches or via mobile applications, depending on the bank. Services are also available through Automated Teller Machines (ATMs) and cash dispensers.

170. The geographical distribution of the banking network remains uneven, with 203 branches and counters, as well as 18,015 sales agents for digital financial services. The majority of service points are located in Bujumbura, but each province has at least two bank branches.

171. The banking rate in Burundi increased slightly from 16.0% in 2021 to 16.8% in 2022 ³², and the number of commercial agents providing digital banking services increased sharply by 73%. This helped increase the financial inclusion rate, which reached 47.8% by the end of 2022 ³³.

172. The Burundian banking sector has a significant impact on the economy, contributing nearly 53% of GDP since 2008. ³⁴In 2022, net banking income amounted to BIF 405,957 million, customer deposits to BIF 3,874,739 million and loans granted to BIF 2,846,119.3 million. The overall net income of the banking sector reached BIF 154,740 million ³⁵.

173. The ranking of banks by their share of assets shows significant concentration. Five large banks hold 70.2% of assets, two medium-sized banks hold between 5% and 10%, and seven small banks control only 12.3% of assets, down from 2021.

³¹ Art.3 Banking law

³²Annual Supervision Report 2022

³³Burundi Eco – publication of the newspaper burundi-eco.com

³⁴ <https://www.iwacu-burundi.org/le-secteur-bancaire-sous-les-feux-des-critiques/>

³⁵Annual Supervision Report 2022

174. The number of jobs in the banking sector increased by 3% between 2021 and 2022, from 3,217 to 3,312 units. However, although the banking sector is growing, the informal sector remains dominant, due to the low proportion of deposits going through the formal sector and the low banking rate (16.8%), which indicates a significant circulation of fiat money escaping the official circuit.

A.1.2. Microfinance Institutions

175. The microfinance sector has its origins in the years following the country's independence. It underwent a significant evolution in 1984 with the creation of the Central Office of COOPEC, a technical structure responsible for supervising the process of setting up Savings and Credit Cooperatives (COOPEC). Today, the sector has approximately 75 microfinance institutions spread across the country, although the majority are concentrated in the Bujumbura Commercial Capital City. At the end of 2023, this sector had approximately 1,676,607 clients and had granted 392,128 credits, for a total amount of BIF 820,493,953 ³⁶.

176. Data on the contribution of different sectors to GDP growth reveal that in 2021, in a context of economic growth of 3.9% of GDP at factor costs, the tertiary sector contributed 2.7%. Among this contribution, banking, insurance and microfinance institutions accounted for a significant share of 1.3% ³⁷. This means that banking, microfinance and insurance services alone make up nearly 48.15% of the tertiary sector, which represents 69.23% of GDP at factor costs. In summary, banking, microfinance and insurance play a crucial role in the national economy, contributing 33.33% of GDP. The microfinance sector is also exposed to significant risks, particularly due to its deposit-taking function and the cash transactions that characterize its activities. These elements make it a vulnerable entry point for illicit capital, which exposes the sector to risks related to money laundering (ML).

A.1.3. Payment institutions

177. In 2022, digital financial services were provided by four (4) Payment Institutions specialized in electronic money, five (5) banks authorized to offer mobile banking services, as well as five (5) Microfinance Institutions with their own platforms, authorized or approved, in accordance with Regulation No. 001/2017 on payment services and the activities of Payment Institutions.

178. These services were deployed through a network of 175,278 commercial agents spread across the entire national territory. Among these, 157,008 agents were affiliated with Electronic Money Payment Institutions, 18,015 agents with commercial banks, and 255 agents with Microfinance Institutions.

179. However, statistics reveal that the Bujumbura Commercial City concentrates a large proportion of commercial agents, with a total of 56,859 agents, or 32.5% of all agents spread across the country ³⁸.

180. Mobile money is increasingly emerging as a powerful tool for inclusive development, enabling people without access to banking services to make monetary transactions directly through their mobile phones.

³⁶RIM, MFI sector indicators as of December 31, 2023.

³⁷INSBU, summary note of Burundi's economic activity-2021

³⁸BRB Annual Report, 2022 financial year

181. Mobile money has also helped to reduce the geographical constraints faced by the unbanked. Subscriptions to mobile financial services platforms for the period under review stood at BIF 4,801,926, 7,566,495 and BIF 6,948,076, respectively, with penetration rates of 40%, 63% and 53.05%, respectively.

182. According to data provided by the ARCT, between 2021 and 2023, the turnover of mobile financial services increased from BIF 37,109,724,131 BIF to 66,318,582,409 BIF, marking an average annual increase of 22%. In conclusion, the sector represents a significant share of the money supply in circulation, which makes it particularly vulnerable to money laundering (ML) risks, given that multiple operations can be carried out through commercial agents without users being systematically identified.

183. However, this concentration of activities and the relative anonymity of certain transactions present risks in terms of the fight against money laundering and the financing of terrorism (AML/CFT). It is therefore crucial that the regulator strengthens control of these activities and puts in place effective monitoring measures to prevent any abuse.

A.1.4. Currency exchange bureaux

184. The creation of exchange bureaux in Burundi dates back to 2008, although before that date, an unregulated parallel exchange market existed. Since their introduction, the number of exchange bureaux has increased considerably and they are now found even in the interior of the country. In 2016, Burundi had 35 exchange bureaux spread throughout the territory. However, after that year, their number decreased because the monetary authority proceeded to close the offices that did not comply with the regulations in force. Currently, the country has 11, including nine (9) in Bujumbura, two (2) located respectively in Gitega and Ngozi.

185. These institutions play a crucial role in the foreign exchange market, facilitating exchanges between domestic and foreign currencies. However, they face competition from a thriving black market, which is beyond the control of monetary authorities and poses money laundering risks.

186. In 2022, the exchange rate policy was implemented in a difficult economic context marked by a deceleration in the country's economic activity (1.8% compared to 3.1% the previous year) and by the slowdown in the global economy, mainly due to the consequences of the Russo-Ukrainian war.

187. Despite these challenges, which particularly disrupted the supply of imported raw materials, the Bank of the Republic of Burundi (BRB) continued its interventions in the foreign exchange market. These interventions aimed to finance imports of fuel, industrial raw materials, medical and pharmaceutical products, among others. They thus helped to limit excessive fluctuations in the exchange rate.

188. The volume of BRB interventions in this market have changed little in 2022 compared to the previous year, amounting to USD 449.8 million against USD 437.6 million in 2021 ³⁹.

189. However, a parallel currency market (black market) has developed, beyond the control of the monetary authority. This creates a vulnerability for the Central Bank because manual

³⁹ BRB Annual Report, 2022 financial year

exchange is often practiced there, thus leading to a flight of the money supply that is beyond the control of the competent authority.

A.2. Evaluation of input variables

190. The four categories of financial institutions (**Banks, MFIs, Exchange bureaux and Payment Institutions**) were assessed jointly, as they are governed by the same banking legislation and subject to the supervision of the same regulator, namely the Central Bank.

1. Completeness of the legal framework

191. Banking Act No. 1/17 of 22 August 2017, governing banking activities in Burundi, refers in its references to Act No. 1/02 of 4 February 2008 on the fight against money laundering (ML) and the financing of terrorism (FT). Article 39 of this law refers to the supervisory authority exercised by the Central Bank over financial institutions without specifying its nature. Although this seems to attribute to the Bank of the Republic of Burundi (BRB) the role of regulator and supervisor in the prevention of ML and FT, the banking law does not contain any explicit provision entrusting the Central Bank with direct responsibility for regulating and supervising the compliance of sector players (banks, MFIs, exchange offices, and payment institutions) with anti-money laundering and anti-terrorist financing standards. This legislative silence results in a lack of effective control of AML/CFT compliance by this traditional regulator.

192. At the same time, Article 6, paragraph 6 of the decree establishing the CNRF, missions, organization and operation, adopted pursuant to the 2008 Anti-Money Laundering Act, specifies that: "The Unit's mission is to undertake the inspection and supervision of reporting institutions to ensure compliance with the reporting obligations in the fight against money laundering and the financing of terrorism provided for by law". The Working Group noted that the CNRF has begun to carry out supervision missions of the financial sector, including banks (eight (8) AML/CFT compliance control missions in 2023, involving banks and MFIs).

193. Furthermore, the 2008 Anti-Money Laundering Act is considered obsolete by the ESAAMLG high-level mission because it does not comply with current international standards. As a result, the legal framework is seriously deficient.

194. This situation of dual jurisdiction, coupled with the obsolescence of the 2008 anti-money laundering law compared to international standards, reveals a deficient and unsuitable legal framework.

195. To address these shortcomings, the Burundian authorities should:

- Update the 2008 anti-money laundering act to clarify the missions of the CNRF and explicitly define the role of the Central Bank in supervising the prevention of money laundering (ML) and terrorist financing (FT);
- Revise the 2017 banking act and its implementing texts (regulations and circulars), clearly and explicitly specifying the role of the Central Bank in supervision in matters of prevention of AML/CFT.

2. Effectiveness of supervision procedures and practices

196. The Bank of the Republic of Burundi (BRB) exercises general supervision of banks in accordance with the Banking Act. As for the CNRF, it is responsible, according to Decree No. 100/044 of March 16, 2020 establishing, organizing and operating the CNRF, for "the inspection and supervision of reporting institutions to ensure compliance with AML/CFT reporting obligations". However, this provision has imperfections that lead to confusion between the missions of the CNRF and those of the BRB.

197. In terms of prevention of money laundering (AML) and terrorist financing (TF), it is recommended that the CNRF focus mainly on training and support to financial institutions, in line with international good practices. The role of active supervision, particularly with regard to compliance with AML/CFT standards, should be reverted to the BRB, as the traditional regulator for the banking sector, MFIs, Payment Institutions and exchange bureaux (category A). However, it has been observed that the compliance checks carried out by the BRB do not specifically include AML /CFT, which limits the effectiveness of supervision.

198. Furthermore, although the CNRF has conducted several AML/CFT compliance control missions with banks (8 missions in 2023 ⁴⁰), the results obtained appear to be insufficient. A clear and precise framework for the distribution of roles and responsibilities between the BRB and the CNRF appears necessary to ensure more effective supervision.

Recommendations:

- **Clarification of Supervisory Roles:** It is crucial to clearly define the roles and responsibilities of the BRB and the CNRF in AML/CFT supervision. The BRB should assume direct supervision of the compliance of financial institutions (Banks, MFIs, Foreign Exchange Bureaux, and Payment Institutions) with AML/CFT standards, while the CNRF should focus on training, guidance, and collection of reports.
- **Review of the legislative and regulatory framework:** It would be relevant to review the 2017 Banking Act and Decree No. 100/044 of 16 March 2020 in order to clarify the respective competences of the BRB and the CNRF in matters of AML/CFT. Such a revision would ensure an explicit distribution of supervision and control missions between these two entities, thus minimising the risks of confusion and overlap.
- **Integration of AML/CFT controls into BRB supervision:** The BRB should systematically integrate AML/CFT compliance controls into its supervision of financial institutions. These controls should be carried out at regular intervals and include a detailed assessment of the institutions' compliance with international AML/CFT standards.
- **Strengthening the CNRF in its support and training role:** The CNRF should strengthen its training and awareness-raising activities with financial institutions to improve understanding and application of AML/CFT requirements. This would enable the CNRF to better support institutions in complying with their obligations, while leaving the supervision and effective control of compliance to the BRB.

⁴⁰Provided by CNRF

3. Availability and application of administrative sanctions

199. Administrative sanctions are provided for by the legislation in force. Article 70 of Banking Act No. 1/17 of 22 August 2017 defines a range of sanctions that may be imposed by the supervisory authority against banking service providers in the event of a breach. These sanctions include in particular:

- The warning;
- The blame;
- The prohibition on carrying out certain operations and any other limitation in the exercise of their activities;
- The obligation to disengage from certain activities already undertaken;
- The temporary suspension of one or more of its directors or officers;
- The withdrawal of approval of one or more of its directors or managers;
- Withdrawal of approval of the taxable establishment.

200. However, it should be noted that these sanctions have not yet been applied specifically for non-compliance with AML/CFT measures. In theory, the Central Bank is empowered to impose these sanctions after hearing the managers of the institutions in breach. In addition, it may, in addition to or instead of the first three sanctions, impose a financial penalty not exceeding 5% of the minimum capital of the institution concerned, in accordance with a matrix of sanctions established by the Central Bank. The corresponding amounts are then recovered by the Central Bank on behalf of the Public Treasury. However, during the period covered by the evaluation, no administrative sanctions were imposed for AML/CFT breaches.

Recommendations:

201. Provide and enforce sanctions for non-compliance with AML/CFT standards: It is crucial that the banking law provides for administrative sanctions for non-compliance with AML/CFT standards and that these are systematically applied. The Central Bank must strengthen its role as regulator and supervisor by rigorously applying these sanctions in order to ensure the effectiveness and credibility of the legal framework in the fight against money laundering and terrorist financing.

4. Availability and application of criminal sanctions

202. Criminal sanctions are provided for in legal texts, including the 2017 Criminal Code and Act No. 1/12 of 18 April 2006 on measures to prevent and combat corruption and related offences. However, in practice, the Working Group did not find any cases of conviction for money laundering (ML), which raises questions about the effective application of these criminal sanctions. This situation is the result of a lack of awareness of the concept of ML, a lack of coordination between the institutions responsible for applying criminal sanctions **and** monitoring money laundering cases, but also the public and financial institutions who are not sufficiently aware of criminal sanctions.

Recommendations:

- **Strengthen the enforcement of criminal sanctions for money laundering (ML) offences:** It is essential to ensure more effective implementation of criminal sanctions provided for in the legislation, particularly for money laundering offences. Relevant authorities, including law enforcement and the judiciary, should strengthen their efforts to identify, prosecute and convict individuals involved in money laundering activities;
- **Strengthen training for judicial and law enforcement actors:** It is recommended that specific training programs be set up for magistrates, prosecutors, and police officers to improve their understanding of money laundering and terrorist financing offenses. This would help to strengthen the effectiveness of prosecutions and ensure more systematic application of criminal sanctions;
- **Improve coordination between institutions responsible for the application of criminal sanctions:** It is important to strengthen collaboration between the Central Bank, the CNRF, judicial authorities and law enforcement agencies to facilitate investigations and prosecutions related to money laundering. This coordination should ensure a more coherent and rapid response to offences;
- **Monitor money laundering cases:** A rigorous monitoring mechanism for money laundering-related judicial cases should be put in place to ensure that these offences are effectively addressed and that appropriate criminal sanctions are applied. Regular reporting on the number of ML convictions could improve the transparency and accountability of the judicial system;
- **Raise awareness among the public and financial institutions about criminal sanctions:** Awareness campaigns should be conducted to inform the public and financial institutions about the criminal sanctions related to money laundering. This would help strengthen the culture of compliance and deter criminal behaviour in this area.

5. Availability and effectiveness of entry controls

203. The regulatory framework for entry controls for the approval of credit institutions and representative offices of foreign credit institutions in Burundi is defined by Circular 20/2018, under Act No. 1/17 of 22 August 2017 governing banking activities. These circular details the documents required for the application for approval of a credit institution, such as notarized statutes, certificate of deposit of minimum capital, information on shareholders and managers, as well as elements allowing to assess the integrity and competence of managers and directors.

204. With regard to specific requirements relating to the integrity of managers, Circular No. 15/2018 imposes a series of approval criteria based on the training, professional experience, and integrity of directors and officers. The Central Bank has the power to require additional information and to refuse approval if these criteria are not met.

205. Regulation No. 01/2023 on AML and CFT also imposes strict customer identification (KYC) requirements, particularly with regard to Politically Exposed Persons (PEPs) and occasional customers.

206. However, it is noted that, although entry controls exist, they do not appear to place particular emphasis on the prevention of money laundering and terrorist financing. Vigilance remains insufficient to ensure that funds invested in banking institutions do not come from criminal activities.

Recommendations:

- **Strengthen the integration of AML/CFT criteria in the licensing process :** Although documents are required to verify the integrity of shareholders and managers, entry controls must integrate more specific criteria relating to the fight against money laundering (AML). It is essential that the Central Bank of the Republic of Burundi (BRB) review the circular and the licensing criteria to ensure that the actors involved in the creation of new credit institutions are not only honest, but also not linked to criminal activities.
- **Strengthen fund traceability requirements:** In the assessment sheet for shareholders holding at least 5% of voting rights, it is crucial to emphasize the origin of the funds invested. Controls must ensure that these funds do not come from illegal activities. The BRB could impose stricter requirements on the origin of funds by verifying compliance with international AML/CFT standards.
- **Update the criteria for the approval of managers and directors:** In order to ensure that managers and directors comply with international AML/CFT standards, the BRB should require more in-depth training on these topics. Additional, checks on managers' backgrounds in terms of financial fraud and links to criminal entities could increase vigilance at this level.

5. Integrity of personnel

207. Regarding the integrity of banking sector staff (Banks, MFIs, Exchange bureaux and Payment Institutions), the Working Group (WG) noted that the sector has a code of ethics and professional conduct. However, this code does not appear to specifically address breaches related to money laundering (ML), as evidenced by the absence of statistics on sanctions for non-compliance with anti-money laundering (AML) measures and the absence of reports filed with the CNRF.

208. According to interviews with professionals in the professions: "Staff in the sector, especially in banks, are generally known for their integrity, reinforced by internal ethics training". However, the WG found that few sanctions have been issued for ethical breaches. This could reflect either a genuine culture of integrity within the sector assessed or a lack of effective application of these standards and sanction mechanisms in the event of violations. It would seem that the second option is the most plausible given the lack of integration of AML requirements into codes of ethics and professional conduct.

Recommendations:

- **Integrate AML requirements into the code of ethics and professional conduct:** It is essential to revise the code of ethics and professional conduct of banks, microfinance institutions (MFIs), foreign exchange bureaux and payment institutions to include specific clauses regarding anti-money laundering (AML) breaches. The code should explicitly mention the obligations of employees in terms of compliance with AML standards, as well as the sanctions in the event of non-compliance with these standards;

- **Strengthen sanctions mechanisms for non-compliance:** Although staff are known to be honest and receive annual ethics training, it is concerning that few sanctions have been imposed for ethical breaches. The establishment of a rigorous system for monitoring violations and the publication of statistics on sanctions related to non-compliance with AML measures are crucial to encourage strict application of the standards. It is recommended that internal sanctions be systematically applied in cases of non-compliance and that these sanctions be documented to ensure the transparency and effectiveness of the compliance framework;
- **Strengthen the culture of compliance within institutions:** Although annual ethics trainings are provided, there is a need to strengthen the culture of compliance within financial institutions. Specific AML/CFT awareness sessions should be organized regularly, in addition to ethics training. Managers and staff should be regularly informed of the risks associated with money laundering and terrorist financing, as well as the consequences of non-compliance;
- **Carry out regular assessment of AML compliance:** In addition to ethics training, regular assessments of AML/CFT compliance should be conducted. These assessments may include internal audits and spot checks to verify that staff are properly implementing AML/CFT standards. Integrating these assessments into human resource management processes could also encourage ongoing awareness of AML/CFT risks.

7. Staff knowledge of AML

209. Given the increased requirements of correspondent banks in terms of AML, there has been an increased mobilisation of all banks. They systematically include training programmes for their staff in their annual business plans, alongside active participation in the few training courses organised by the CNRF. However, there is still some way to go to cover all stakeholders, especially exchange offices, MFIs and payment institutions which are not subject to the requirements of correspondents. The main factors which hinder knowledge of AML include:

- Lack of training programmes in some financial sector institutions;
- Lack of cooperation with the CNRF;
- Lack of continuing training and evaluation mechanisms;
- Lack of partnerships for targeted and sectoral training as well as a culture of vigilance;

210. To address these shortcomings, it is necessary to:

- **Expand training programmes to all financial sector stakeholders:** While banks have integrated AML training programmes into their annual business plans, it is essential that these initiatives are extended to other financial sector stakeholders, such as Bureaux de Change, Microfinance Institutions (MFIs) and Payment Institutions. These institutions should be trained in a similar manner to ensure comprehensive and uniform AML coverage across the financial sector.
- **Strengthen cooperation with the CNRF :** Foreign exchange Bureaux, MFIs and payment institutions should be invited to participate more actively in training courses organized by the CNRF, while developing specific programmes tailored to their activities and their

specific AML needs. The CNRF could also consider setting up training sessions dedicated to these institutions to improve their level of compliance.

- **Establish continuous training and evaluation mechanisms:** It is crucial to implement continuous training programmes for the staff of Exchange Bureaux, MFIs and Payment Institutions. This should include regular update sessions on legislative and regulatory developments related to AML. In addition, regular evaluations should be conducted to measure the effectiveness of these trainings and identify areas requiring improvement.
- **Promote a culture of vigilance at all levels:** It is essential that a culture of vigilance in AML/CFT is disseminated within all financial institutions, including Exchange Bureaux, MFIs and Payment Institutions. Specific training should be provided to raise awareness among all staff, particularly new employees, of their role in detecting and preventing money laundering and terrorist financing.
- **Establish partnerships for targeted and sectoral training:** The Central Bank and the CNRF should consider creating partnerships with professional associations and specialized organizations to offer targeted training adapted to the specificities of exchange offices, MFIs and payment institutions. This would improve the relevance of training and better meet the needs of different sectors.

8. Effectiveness of the compliance function (organization)

211. The compliance function is well established in the majority of banks, particularly those affiliated with international or regional banking groups. The latter generally impose rigorous compliance standards on their subsidiaries. Four institutions (ECOBANK, CRDB, DTB and KCB) thus apply programs aligned with the standards of their parent companies. However, this effectiveness remains limited to a quarter of the banks studied.

212. Although the presence of international groups may encourage the establishment of compliance functions, their real effectiveness can only be assessed through in-depth supervision by the Bank of the Republic of Burundi (BRB). However, to date, no detailed analysis by the BRB on the effectiveness of these functions is available, outside of traditional regulatory controls.

213. The Working Group notes that the BRB adopted a new anti-money laundering regulation in April 2023, making the establishment of a compliance function mandatory. However, given the transitional period granted to institutions to comply, it is still premature to assess the overall state of progress.

Recommendations:

- **Strengthen the supervision of the Bank of the Republic of Burundi (BRB) :** It is essential that the BRB establish a mechanism for in-depth supervision of compliance functions in banks, in order to assess their real effectiveness beyond traditional regulatory

controls. The BRB should establish regular audits of compliance functions in all banks, including those affiliated with international groups, in order to ensure compliance with AML and CFT standards and to identify possible gaps in their implementation.

- **Accelerate compliance of local banks, MFIs, foreign exchange bureaux and payment institutions:** For institutions that are not yet fully compliant with AML standards, the BRB should offer enhanced support to help them achieve compliance. A clear timetable with specific objectives should be established so that banks that are not part of international groups, MFIs, foreign exchange bureaux and payment institutions can strengthen their compliance function as soon as possible. This could include training sessions, technical advice and on-site visits.
- **Assess and validate the effectiveness of the compliance function:** To ensure that compliance programmes are truly effective, the BRB should establish a systematic evaluation framework. This includes analysing the results of internal controls of banks, MFIs, foreign exchange bureaux and payment institutions, reviewing internal and external audit reports, and establishing mechanisms to monitor corrective actions taken by institutions following non-compliance. Such an evaluation would help ensure proper implementation of policies and identify areas requiring improvement.
- **Strengthen training of compliance officers:** The BRB should encourage continuous training of compliance officers in all banks, MFIs, foreign exchange bureaux and payment institutions. This training should cover developments in AML regulations, as well as best practices in compliance management. The BRB could organize specialized workshops and online training to ensure regular updating of compliance officers' skills.
- **Encourage sharing of experiences and good practices :** It would be beneficial for the BRB to organize regular forums or working groups between banks, particularly those affiliated to international banking groups and other institutions. This collaborative framework would allow sharing of experiences and dissemination of good practices in compliance. This would strengthen the culture of compliance in the banking sector and promote alignment of the practices of all banks with international standards

9. Effectiveness of monitoring and reporting of suspicious activities

214. Discussions with industry professionals revealed that tools for monitoring and reporting suspicious transactions (STRs) are indeed available. Some banks use systems dedicated to detecting suspicious activities or transactions, based on a risk-based approach. These tools allow for filtering transactions and checking customer profiles, particularly for those considered at risk, as well as for international transactions involving high-risk countries or individuals on international sanctions lists.

215. However, the Working Group noted several significant gaps in the implementation of these tools and practices. First, the list of politically exposed persons (PEPs) is neither harmonized nor exhaustive, making its application inconsistent across the sector. In addition, another important finding concerns the lack of suspicious transaction reporting to the CNRF. Indeed, sector actors, including banks, microfinance institutions (MFIs), foreign exchange bureaux and

payment institutions, do not systematically report suspicious transactions (STRs), which indicates non-compliance with reporting obligations.

Recommendations:

- **Harmonise and update the PEP list:** It is crucial that the list of politically exposed persons (PEPs) is harmonised and updated regularly to ensure its completeness and effectiveness in detecting risks. The BRB should work with industry stakeholders to establish a unified and comprehensive list, revising it periodically to include new individuals or entities at identified risk.
- **Strengthen the sector's capacity to report suspicious transactions:** It is imperative that all financial institutions, including banks, MFIs, exchange payment institutions, fully comply with their obligations to report suspicious transactions. The BRB and the CNRF should implement awareness campaigns and regular training for sector stakeholders on the importance of reporting suspicious transactions and the consequences of failing to do so.
- **Optimize tools for detecting suspicious transactions:** Although some institutions already have effective tools for detecting suspicious transactions, it is recommended to strengthen the use of these tools across the sector. The BRB should encourage the use of advanced technologies such as artificial intelligence and big data analytics to improve the effectiveness of detection systems, especially for complex and transnational transactions.
- **Establish a mechanism for monitoring and verifying reports:** The BRB should establish a mechanism for monitoring and verifying suspicious transaction reports to ensure that all actors in the sector comply with their obligations. This could include regular checks on reports made to the CNRF and sanctions in the event of non-compliance with procedures.
- **Improve cooperation between sector stakeholders and the CNRF:** Strengthened cooperation between the CNRF, banks and other financial institutions is essential to improve the effectiveness of suspicious activity detection. Secure communication platforms should be created to facilitate the rapid sharing of information and transmission of suspicious activity reports, while respecting data confidentiality.
- **Monitor compliance measures by the BRB:** The BRB should strengthen its role in supervising and monitoring the implementation of suspicious transaction detection tools and reporting of suspicions across the sector. This includes setting up periodic audits to verify that institutions comply with the standards in force and applying corrective measures in the event of non-compliance.

10. Level of market pressure exerted for compliance with AML standards

216. There is significant market pressure on bank management to comply with AML standards, particularly for those belonging to international groups (four out of fourteen credit institutions). This pressure also concerns other banks, particularly in the context of correspondent relationships, where strict compliance requirements are necessary to maintain them. However, the working group notes that this pressure is absent for MFIs, exchange bureaux and payment

institutions that are not concerned by this aspect. In addition to these three categories not concerned by market pressure, it was noted that even banks affiliated to international groups or under pressure from correspondents rarely report suspicious transactions to the CNRF. Normally, this pressure should be materialized by the abundance of suspicious transaction reports.

217. This rarity of suspicious transaction reports to the CNRF is justified by the weakness in **awareness and training, the absence of standard tools for detecting suspicious transactions**, the lack of clear regulations and active surveillance to **force the sector to** comply, as well as the weakness of the Bank of the Republic of Burundi (BRB) in supervising compliance with AML standards for all players in this sector.

Recommendations:

- **Strengthen awareness and training:** While banks affiliated with international groups are already under pressure to comply with AML standards, it is crucial that other banks, particularly those not affiliated with international groups, receive regular and in-depth training. This includes specific programs on suspicious transaction detection, risk management and correspondent relationship requirements.
- **Standardize detection tools:** To ensure consistent compliance, it is recommended that banks adopt tools for detecting suspicious transactions based on a risk-based approach. These tools should be regularly updated and assessed to ensure that they effectively address AML requirements, particularly for high-risk customers and international transactions.
- **Strengthen reporting obligations to the CNRF:** It is crucial that all financial sector actors, including banks, MFIs, foreign exchange bureaux and payment institutions, are required to submit suspicious transactions reports (STRs) to the CNRF. Clear regulations and active monitoring should be put in place to ensure this compliance.
- **Improve supervision by the BRB:** The Bank of the Republic of Burundi (BRB) should strengthen its supervisory actions in terms of compliance with AML standards. This includes carrying out regular and detailed audits of compliance functions in banks, in particular to assess their actual effectiveness and identify possible weaknesses. The three variables below are explained at the National Vulnerability level (*from paragraph 157 to paragraph 161*) and include the same notations, these are:

11. Availability and access to information on beneficial owners

12. Availability of reliable identification infrastructures

13. Availability of independent sources of information

A.3. Assessment of inherent vulnerabilities

A.3.1. Analysis of the vulnerability of banking products and services

218. The assessment of the vulnerability of banking products and services in the Burundian banking sector makes it possible to identify money laundering risks. Five main products were

analysed: demand deposits, credits, negotiable instruments, international fund transfers, and current accounts for SMEs. The objective of this analysis is to provide an accurate assessment of the level of vulnerability of each product and to propose appropriate measures to mitigate the associated risks.

1. Demand deposit: Level of vulnerability

Product Overview: A demand deposit is a sum of money deposited in a bank that the holder can withdraw at any time, without any time restrictions. This banking product is used for cash payments, checks, transfers.

Vulnerability Analysis: Demand deposit presents a high risk due to several factors:

- **Source of funds:** The majority of deposits made by companies come from cash payments. The origin of these funds and their exact use are often difficult to trace, which can facilitate money laundering;
- **International Transactions:** Funds deposited may be transferred abroad under various pretences (e.g., family support, purchase of goods, service payments), making the transactions opaque;
- **Pass-through Operations:** The ease of accessing these funds and withdrawing them at any time may encourage the use of these accounts to obscure financial flows or conduct pass-through operations, thereby giving funds an appearance of legitimacy.

Sources of Vulnerability:

- Suspicious international transfers;
- Clients or companies with beneficial owners that are difficult to identify;
- Easily accessible product.

2. Loans: Vulnerability Level

Product Overview: Bank credit is a loan granted by a creditor to a debtor to finance projects or temporary needs. It can be for consumption, investment, treasury needs, or mobilization.

Vulnerability Analysis: Loans granted present a medium risk due to:

- **Misappropriation of funds:** Although verification processes are in place, some borrowers withdraw funds in cash, limiting their traceability;
- **Difficulty tracking payments:** Companies often use cash deposits to pay credit instalments without being able to provide clear justification for the source of these funds;
- **Ease of access to credit:** Companies, especially those with international activities, may use the funds for purchases abroad, exposing the product to risks associated with cross-border transactions.

Sources of Vulnerability:

- Lack of traceability in the use of funds;
- Difficulty in identifying the ultimate beneficiaries of loans.

3. Negotiable Instruments: Vulnerability Level

Product Overview: Negotiable instruments, such as checks, promissory notes, and bills of exchange, are used as secure and transferable means of payment between individuals.

Vulnerability Analysis: Negotiable instruments present a low level of vulnerability, primarily because they are governed by strict regulations and issued by commercial banks. However, abuse can occur when clients use these instruments to conceal illicit transactions, including money laundering.

Sources of Vulnerability:

- Use of instruments to disguise suspicious transactions, even though the product itself does not pose a direct risk.

4. Current account for SMEs: Vulnerability Level

Product Overview: The SME current account is used to manage a company's financial transactions. It is used to deposit funds, make payments, or manage day-to-day operations.

Vulnerability Analysis: The SME Current Account has moderate to high vulnerability:

- **Problems with identifying beneficial owners:** Despite the digitalization of business registers and tax identifiers, the process of identifying beneficial owners of SMEs remains problematic, which exposes the product to money laundering risks.
- **Lack of traceability:** Funds are sometimes transferred or used in an opaque manner, without clear visibility of their origin or destination.

Sources of vulnerability:

- Difficulties in verifying the beneficial owners of SMEs.

5. International money transfer services

Product Overview: International money transfer services, such as Western Union and MoneyGram, are offered by some banks. These services allow customers to send or receive funds internationally.

Vulnerability Analysis: Money transfer services pose several risks related to money laundering:

- **Relative anonymity:** Although information is collected, it is possible to provide false or incomplete data, facilitating illicit activities;
- **Cash Transactions:** A significant portion of transactions are in cash, making tracking difficult;
- **Extensive network:** The large number of agents facilitating transfers makes it more difficult to detect suspicious transactions;
- **Split transfers:** Money launderers can split large sums into smaller transactions to evade detection;
- **Cross-border transactions:** The diversity of customers and the speed of transfers make it difficult to identify and verify transactions.

Sources of vulnerability:

- Anonymous and cash transactions;
- Global network of partners facilitating the evasion of controls.

Conclusion:

220. The vulnerability assessment of banking products reveals that products such as demand deposits, loans, and international transfer services present medium to high risks, particularly due to the difficulty of tracking funds and the anonymity of transactions. To mitigate these risks, banks should strengthen internal controls, improve transaction traceability and verification of beneficial owners, particularly for SMEs and international money transfer services.

A.3.2. Inherent Vulnerabilities in the Microfinance Sector

221. The microfinance sector presents several vulnerabilities to money laundering, including:

- **Deposit collection and cash transactions:** Microfinance often involves cash transactions, making it difficult to track and trace funds. This provides an ideal gateway for the introduction of illicit capital;
- **Lack of strict control mechanisms:** Some microfinance institutions, particularly those of modest size or located in rural areas, may lack strict control mechanisms and an effective monitoring system, thus facilitating money laundering practices;
- **Poor Know Your Customer (KYC):** The lack of rigorous customer identification (KYC-Know Your Customer) procedures allows anonymous individuals or entities to mask the origin of their funds;
- **Unmonitored loans and credits:** Loans granted without adequate collateral or thorough customer assessment can be used to launder money, particularly if borrowers are involved in illicit activities;

- **Poor ability to detect suspicious transactions:** Some institutions do not have the resources or systems to detect and report suspicious transactions (STRs), allowing funds to be laundered undetected.

A.3.3. Inherent vulnerabilities in the Payment Institutions Sector

222. Payment institutions, particularly those involved in e-money and mobile financial services, also have vulnerabilities to money laundering:

- **Transaction anonymity:** One of the biggest vulnerabilities is the anonymity of transactions made through commercial agents. Users can make money transfers without their identity being systematically verified, thus making it possible to mask the origin of the funds;
- **Transactions by commercial agents:** Commercial agents, often untrained in money laundering risks, can allow users to carry out transactions without sufficient control over the origin of the funds, thus creating a gateway for illicit transactions;
- **Lack of enhanced monitoring:** Due to the decentralization of operations (network of commercial agents), payment institutions may have difficulty monitoring all transactions and spotting suspicious behaviour across their multiple points of contact;
- **Lack of transparency in money transfers:** Mobile money services, particularly in rural areas, may lack mechanisms to ensure transparency of financial flows. This increases the risk of money laundering;
- **Lack of control over external platforms:** Mobile payment platforms used by third parties may not always be subject to the same strict regulation, which can provide fertile ground for money laundering activities.

3.3.4. Inherent Vulnerabilities in the Currency Exchange Sector

223. Currency exchange bureaux also pose several money laundering risks, particularly due to their role in foreign currency exchanges:

- **Parallel currency market (black market):** The unregulated parallel currency market, which is outside the control of monetary authorities, facilitates money laundering operations. Transactions carried out in this market can mask the illicit origin of the funds, especially since these transactions are not subject to the same controls as those carried out in licensed exchange bureaux;

- **Untraceable Transactions:** Manual currency exchange at exchange bureaux can often escape traceability, particularly in an environment where controls are weak. Customers can easily make currency transactions without the origin of the money being adequately verified;
 - **Weak controls over currency flows:** Exchange bureaux may not have systems in place to detect suspicious transactions, making it difficult to detect money laundering schemes, especially in a context of high demand for foreign currency;
 - **Fictitious or anonymous customers:** The lack of rigorous identification procedures (KYC) in some exchange bureaux or in unregulated exchange transactions allows fictitious customers to introduce illegal money into the system;
 - **Risk of exchange rate manipulation:** Currency exchange bureaux can be used to manipulate exchange rates and create opaque financial flows, thereby facilitating money laundering, particularly in a disrupted economic environment;
-
- **Large currency transactions:** Large currency transactions, which are often difficult to justify, are a common means of laundering funds. The lack of effective supervision can allow individuals to exchange large amounts of currency without verifying the origin of the funds.

Conclusion

224. Each sector has specific vulnerabilities to money laundering, often due to non-transparent financial practices, a lack of rigorous controls, and the possibility of anonymous transactions. To reduce these risks, it is crucial to strengthen oversight mechanisms, improve customer identification (KYC) procedures, implement systems to detect suspicious transactions, and ensure stricter regulation of the sector.

B. The insurance sector

B.1. Description of the insurance sector

225. The insurance sector in Burundi is governed by Act No. 1/06 of 17 July 2020, revising Act No. 1/02 of 7 January 2014, relating to the Insurance Code of Burundi. This sector is divided into two main branches: the "non-life" branch and the "life" branch. The non-life branch concerns the insurance of material goods, while the life branch concerns the insurance of human life. The non-life branch is represented by 12 insurance companies, while the life branch has 10. With the exception of the company Jubilee Life Insurance Company Burundi, whose parent company is located in Kenya, all other insurance companies are local.

226. This sector is regulated and supervised by the Insurance Regulation and Control Agency (ARCA), which is under the supervision of the Ministry of Finance. ARCA was created by Decree No. 100/121 of October 27, 2001. Although the insurance sector contributes significantly to the socio-economic life of the country, its economic impact remains limited, as

its penetration rate has not yet reached 1%. Furthermore, annual expenditure per capita on insurance products is estimated at BIF 6,800 (a little over USD 2) ⁴¹.

227. This work focuses mainly on the life branch, in which there may be a high risk related to accounting balance sheets (BC). It should be noted that the life insurance sector remains little known to the Burundian population, with a penetration rate of only 0.41 %. In 2022, the life insurance sector was valued at BIF 37.6 billion (approximately USD 13.021 million), which represents a modest share of the national GDP, which stood at BIF 9,213.9 billion (approximately USD 3.191 billion) as of December 31, 2022 ⁴².

228. The marketing of life insurance products is carried out either directly or through various actors. According to Act No. 1/06 of July 17, 2020, intermediaries are classified into four categories (Article 482):

- Brokers;
- General agents;
- Non-salaried agents;
- Bancassurers.

229. Brokers are mainly based in Bujumbura, as are bancassurance activities, while non-salaried agents are located in areas where income-generating activities are concentrated (notably provincial and municipal capitals).

230. As of December 31, 2023, the insurance sector in Burundi included 32 brokerage companies, approximately 143 non-salaried agents, 5 bancassurers and 19 general agents. All of these brokerage companies operate mainly in Bujumbura, with the exception of AGEAGL, which also has agencies in the interior of the country. The insurance products marketed in the sector are distributed as follows:

- Life insurance savings products (individual and group);
- Life insurance products in the event of death (individual and collective);
- Mixed products (individual and collective);
- Complementary products (individual and collective).

231. The life insurance sector, although young, is showing great dynamism. Indeed, its turnover has recorded an average growth rate of 18% over the last three years, increasing from 27.2 billion BIF (or 9.420 million USD) in 2020 to 37.6 billion BIF (or 13.021 million USD) in 2022.

B.2. Evaluation of input variables

1. Completeness of the AML legal framework

232. The insurance sector is governed by Act No. 1/06 of July 17, 2020, revising Law No. 1/02 of January 7, 2014 on the Insurance Code of Burundi. ARCA, the authority responsible for supervising insurance companies since 2001, is responsible for monitoring, on documents and on site, all legal, technical and financial aspects of insurance activities, as stipulated in Article 3 of this Act.

⁴¹Insurance Industry Annual Report, Fiscal Year 2022

⁴²MFBPE, Macroeconomic and Prospective Forecasting Service, MACMOD-BI Model

233. The Insurance Code also refers to Act No. 1/02 of 4 February 2008 on the fight against money laundering (AML). Although this appears to assign ARCA a regulatory and supervisory role in preventing money laundering, the Insurance Code does not explicitly confer on ARCA direct responsibility for regulating and supervising insurance compliance with AML standards.

234. This legislative silence results in a lack of effective control over AML compliance by this traditional regulator. In addition, the 2008 Act on combating money laundering is considered obsolete by the ESAAMLG high-level mission, as it does not comply with current international standards. Furthermore, the insurance sector does not have any specific implementing text for the AML/CFT law, which makes the legal framework particularly deficient.

235. The WG also notes that the insurance sector does not have specific implementing texts for the AML/CFT law.

Recommendations:

1. **Review and update of the 2008 AML/CFT Law:** It is essential to review Act No. 1/02 of 4 February 2008 in order to align it with current international standards. An update of this Act would strengthen the effectiveness of money laundering prevention measures and improve compliance with the recommendations of the Financial Action Task Force (FATF);
2. **Creation of specific implementing texts for the insurance sector:** The insurance sector must have specific implementing texts for the AML/CFT law. These texts would detail the procedures and obligations to be respected by insurers in terms of preventing money laundering and terrorist financing;
3. **Revision of the Insurance Code to include specific provisions on AML/CFT :** The Insurance Code should include explicit provisions on the prevention of money laundering and terrorist financing in order to ensure more integrated and coherent regulation in this area.

2. Effectiveness of supervision procedures and practices

236. ARCA has not yet carried out a prudential supervision mission in the fight against money laundering (ML). The controls carried out, both on documents and during on-site visits, do not take into account the issues related to ML.

237. Although the existence of the general AML/CFT legislation, the ARCA and the CNRF constitute an important support for the fight against ML in the sector, the current law has gaps. In addition, the bodies responsible for supervision suffer from a lack of resources necessary to effectively implement AML measures. The ARCA has not yet started the implementation of supervision in this area.

238. Furthermore, there is no framework for cooperation and sharing of information on the risks and threats related to money laundering between ARCA, CNRF and other institutions constituting the AML/CFT value chain.

Recommendations:

- **Strengthen ARCA's capacities:** It is essential to allocate more human, financial and technical resources to ARCA to enable it to implement effective AML/CFT supervisory missions. This includes specialized training of its staff and strengthening its control tools;
- **Integrate AML/CFT risks into on-site and off-site inspections:** Inspections carried out by ARCA must systematically include the assessment of risks related to money laundering and terrorist financing. Specific procedures must be put in place to verify the compliance of financial institutions with international AML/CFT standards;
- **Review and strengthen AML/CFT legislation:** The current AML/CFT law has loopholes that need to be addressed. It is recommended that this legislation be amended to ensure that it is fully compliant with international standards (including the FATF Recommendations) and covers all risky activities. It is also important to clarify the obligations of financial sector stakeholders for better implementation of preventive measures;
- **Develop a specific AML/CFT supervisory framework:** ARCA should develop and implement a specific AML/CFT supervisory framework, based on appropriate methodologies and assessment criteria. This framework should include regular inspections and audits of financial institutions to verify their compliance with AML/CFT requirements;
- **Strengthen inter-institutional cooperation:** ARCA, CNRF and other national entities should strengthen their cooperation and share information on risks and threats related to money laundering and terrorist financing. This would allow for a more coordinated and effective approach to supervision and enforcement of sanctions.

3. Availability and application of administrative sanctions

239. In its mission of regulating and supervising the insurance sector in Burundi, ARCA has texts and powers that enable it to maintain financial harmony, to control the declaration and daily management of companies, as well as to sanction company managers and any other player in the sector (staff of insurance companies and/or intermediaries) in the event of non-compliance with the texts in force.

240. The applicable administrative sanctions are specified in Articles 528 to 534 of Act No. 1/06 of July 17, 2020, revising Act No. 1/02 of January 7, 2014 on the Insurance Code of Burundi. These sanctions are taken by ARCA following an adversarial procedure, during which the insurance company or insurance intermediary is invited to present its observations. In the event of withdrawal of approval, ARCA refers the matter to the President of the competent court to appoint a liquidator.

241. However, the Working Group noted that existing administrative sanctions are not directly linked to breaches of AML obligations. Hence the absence of cases of conviction in ML matters. In addition, the insurance sector has neither a specific and precise regulatory framework for the prevention of money laundering (ML), nor sufficient and trained human and technical resources to ensure effective application of the regulations for this prevention of AML. These constitute significant gaps.

Recommendations:

- **Develop a specific regulatory framework for AML in the insurance sector:** It is essential that ARCA, in collaboration with stakeholders, develop a clear and detailed regulatory framework on the prevention of money laundering (ML) specifically for the insurance sector. This framework should define precise obligations and a control mechanism adapted to the sector, in order to ensure full compliance with national and international AML standards. This mechanism would include regular audits, strengthened internal controls and continuous monitoring of the practices of insurance companies and intermediaries;
- **Strengthen ARCA's capacities:** ARCA needs to be strengthened in terms of human and technical resources to ensure effective enforcement of AML/CFT regulations. This includes continuous training for inspectors and supervisors so that they can identify, assess and address money laundering and terrorist financing risks in the insurance sector.

4. Availability and application of criminal sanctions (see Variable No. 4 of the Banking Sector)

5. Availability and effectiveness of entry controls

242. The entry controls carried out by ARCA are considered insufficient with regard to the fight against money laundering (AML). Although ARCA carries out controls when authorising insurance companies, these controls do not specifically take into account the AML/CFT dimension. Indeed, the documents available to ARCA do not clearly describe the AML procedures in this process.

243. Regarding the shareholding of insurance companies, ARCA requires full identification of shareholders and has extensive powers to order inspections or investigations of all persons or entities involved in the insurance sector, including parent companies and their subsidiaries. In addition, ARCA may issue technical opinions on the amendment of legislative and regulatory texts relating to the insurance sector, which it transmits to the Minister responsible for Finance. However, these opinions do not specifically concern AML.

244. Current legislation requires that ARCA receive documents and information to assess compliance with the criterion of good reputation of directors. However, although directors who have been convicted of crimes or offences and do not meet this criterion cannot be approved, the working group has not been informed of any specific cases of refusal of approval for failure to meet the criteria of good reputation.

6. Integrity of insurance company staff

245. Discussions with insurance industry professionals indicate that their staff have a reputation for integrity. However, it is difficult to specify the level of integrity observed given that the sector does not have statistics for employees already sanctioned. It was also noted that insurance companies do not have specific mechanisms or measures to protect their staff from any external influence or suspicious practices related to money laundering and terrorist financing (ML/TF). In addition, no clear procedures have been put in place regarding the management of suspicious transactions.

Recommendations:

- **Maintain a file of cases of sanctioned employees:** This file must be updated year by year with cases of employees in the insurance sector sanctioned for breach of the code of ethics and professional conduct of the sector. The statistics contained in this file will help in determining the level of integrity of the personnel of insurance companies;
- **Implement safeguards against external influence:** Insurance companies should develop and implement safeguards to prevent undue influence on their staff. This could include clear guidelines on conflicts of interest, anonymous reporting protocols and the implementation of strengthened internal controls;
- **Establish clear procedures for handling suspicious transactions:** It is essential to adopt standardised and transparent procedures for identifying, reporting and handling suspicious transactions related to ML/TF. These procedures should include clear criteria for detecting suspicious activities, clear instructions on how to report them and follow-up mechanisms to ensure that these reports are properly processed and analysed.

7. Knowledge of AML by insurance company staff

246. According to interviews with insurance company officials, only Jubilee Life Insurance Company Burundi (JLICB) offers group-wide AML/CFT training modules and trains its staff in this area.

247. Staff of other insurance companies are not trained in AML/CFT as part of their duties. Furthermore, the CNRF has not yet launched a training programme for insurance companies.

Recommendations:

- **Strengthen AML training:** It is essential that all insurance companies, like Jubilee Life Insurance Company Burundi (JLICB), implement AML/CFT training programs for their staff. These trainings should be mandatory and regularly updated to ensure better knowledge and application of anti-money laundering and counter-terrorist financing standards;
- **Involve the CNRF:** The CNRF should promptly launch training programs for insurance companies. This initiative could include seminars, hands-on workshops, and online modules to facilitate access to training and ensure broad coverage across the industry;
- **Monitor and evaluate training:** It is recommended that the CNRF and insurance companies establish a mechanism for monitoring and evaluating the effectiveness of training. This would ensure that the skills acquired are put into practice and that corrective measures can be taken if necessary;
- **Carry out continuous awareness initiatives:** In addition to initial training, it would be well-thought-out to establish regular awareness sessions to maintain constant vigilance among insurance company employees in the face of changes in AML/CFT risks.

8. Effectiveness of the compliance function (organisation)

248. Although the internal and external audits required by ARCA cover regulatory compliance in general, they do not focus specifically on AML, creating a void in terms of control of these

specific risks. Indeed, no insurance company has a manager dedicated exclusively to the fight against money laundering (AML).

Recommendations:

- **Specialize AML/CFT audits:** It is recommended that internal and external audits required by ARCA specifically include AML compliance criteria. This would fill the existing gap in risk control related to these issues and ensure more in-depth monitoring;
- **Create an AML Compliance Officer Position:** Each insurance company should designate a compliance officer specifically dedicated to combating money laundering. This officer would be responsible for coordinating prevention efforts and ensuring compliance with AML/CFT standards within the company;
- **Strengthen AML skills:** Insurance companies should invest in ongoing training for their teams, particularly compliance officers, to ensure they have the skills and knowledge needed to detect and prevent money laundering and terrorist financing risks;
- **Establish a dedicated AML/CFT control framework:** Insurance companies should establish a specific AML/CFT internal control framework, including appropriate processes and tools to identify, assess and manage these risks. This framework should be regularly updated to take into account legislative developments and new trends in financial risks;
- **Collaborate with competent authorities:** It is recommended that insurance companies collaborate more closely with ARCA and other specialized bodies to share information, good practices and obtain advice on best practices in the fight against money laundering and terrorist financing.

9. Effectiveness of monitoring and reporting of suspicious activities

249. Effective monitoring and reporting of suspicious activities is virtually non-existent in the insurance sector. Indeed, insurance companies have significant gaps in their anti-money laundering and counter-terrorist financing (AML/CFT) policies. Specifically, insurance company staff is not adequately trained to identify and report suspicious transactions.

250. This lack of training seriously hampers the ability of companies to detect illicit activities. In addition, companies do not have sufficiently powerful transaction monitoring and analysis systems to identify anomalies and unusual transactions. As a result, no suspicious transaction reports have been submitted to the CNRF, which reveals a lack of vigilance and responsiveness on the part of insurers.

Recommendations:

- **Conduct adequate AML training for staff:** It is imperative that all insurance companies implement regular and in-depth training programmes on AML, particularly on the detection and reporting of suspicious transactions. These trainings should be targeted and adapted to the different functions within the companies;
- **Establish internal procedures for reporting suspicious transactions:** It is essential that insurance companies establish clear and effective procedures for reporting suspicious transactions. This includes creating internal communication channels, designating managers responsible for managing alerts and submitting reports to the CNRF within the appropriate timeframe;
- **Maintain awareness of vigilance and proactivity:** Insurance companies should develop a culture of vigilance and proactivity among their staff. This may include practical workshops on detecting signs of suspicious activity and the importance of promptly reporting suspicious transactions to the CNRF;
- **Collaborate with the CNRF and other specialized organisations:** Insurance companies should strengthen their collaboration with the CNRF.

10. Level of market pressure for compliance with AML standards

251. Insurance companies in Burundi, with the exception of one that is part of an international group, are not subject to the same pressure from these international groups to comply with anti-money laundering (AML) obligations. Although they are subject to the requirements of Act No. 1/02 of 4 February 2008 and Act No. 1/06 of 17 July 2020 amending Act No. 1/02 of 7 January 2014 on the Insurance Code of Burundi, the implementation of the required standards, particularly in terms of know-your-customer (KYC) and transaction monitoring, remains uneven within the industry, and pressure for their compliance remains limited.

252. The three variables below are explained at the National Vulnerability level (*from paragraph 157 to paragraph 161*) and include the same notations, these are:

11. Availability and access to information on beneficial owners;

12. Availability of reliable identification infrastructures;

13. Availability of independent sources of information.

C. Assessment of the vulnerability of inherent variables

• Total Value/Size

253. The total turnover of insurance companies amounted to BIF 37.6 billion (USD 13.021 million) at the end of 2022. Among these products, life insurance-savings represents more than 52% of the total, followed by life insurance in the event of death at 35%, and mixed and supplementary life insurance products at 9% and 4% respectively. Life insurance-savings and death products thus represent a significant share of turnover and are therefore the most vulnerable to risks.

• Use of agents

254. Insurance intermediaries in Burundi are not responsible for identifying clients, making them less vulnerable to identification or money laundering risks. Their role is limited to connecting clients with insurance companies.

- **Customer Profile**

255. Although insurance companies keep customer details, there is no segmentation of products by customer category. All life insurance policyholders must be at least 18 years old, while beneficiaries can be minors. This creates some uniformity in the customer profile, but does not lead to increased vulnerability.

- **Availability of investment policies**

256. Life insurance companies invest their clients' funds to ensure coverage of future commitments. These investments are not directly related to the Fight against Money Laundering, but the policy is based on diversification to cover regulated commitments.

- **Cash activity level**

257. Cash activity in the life insurance sector is low. Premium payments for savings and protection insurance products are made by bank transfer, thereby reducing the risk of money laundering.

- **Availability of cross-border use**

258. Life insurance products are intended for local beneficiaries and there are no cross-border or internet transactions. This geographical limitation protects the sector from the risks associated with cross-border money laundering operations.

- **Anonymous use**

259. All customers must be clearly identified at the time of signing the contract and there is therefore no possibility of anonymous use in the life insurance sector.

Types of money laundering:

260. Certain life insurance products have specific vulnerabilities to money laundering:

- **Supplementary pension insurance:** The free payment of premiums and the possibility of partial or total withdrawals create a risk of money laundering, in particular by allowing illegal funds to be introduced at the time of subscription;
- **Life insurance:** This product, which aims to support loved ones in the event of death, may allow advances on the surrender value, creating a possibility of abuse if false

information is given when subscribing (for example, in the case of politically exposed persons).

261. Abuse and tax evasion: Life savings products benefit from tax exemption in Burundi, but some policyholders try to circumvent taxation by signing savings contracts, hoping to benefit from exemptions on employment income. However, early withdrawals are subject to taxation, which leads to abuse.

262. Difficulty in tracing records: According to the Burundian corporate code, insurance company records must be kept for 10 years. This ensures that information is traceable if needed.

263. Remote use: Life insurance products are not sold remotely. Signing contracts requires the physical presence of the subscriber, which limits the risks associated with fraudulent online sales or subscriptions.

264. Analysis of results: The insurance products most vulnerable to money laundering in Burundi are supplementary insurance, individual savings insurance and life insurance. These products present specific risks, particularly related to the freedom to pay premiums, the possibility of early withdrawals and the absence of systematic verification of politically exposed persons.

1.1.2.2. 2. Vulnerability of Non-Financial Businesses and Professions Designated to ML

A. Description of the DNFBPs sector

265. Designated Non-Financial Businesses and Professions (DNFBPs) include entities and professions that, although not part of the traditional financial sector (banks, insurance companies, etc.), are nevertheless subject to strict anti- money laundering (AML) obligations. This designation aims to limit the risks of these sectors being used for illegal financial activities, in particular money laundering. The regulations and obligations imposed on these sectors aim to prevent their use for illicit purposes, by requiring specific measures such as customer identity verification, transaction monitoring and suspicious activity reporting. These measures are an integral part of global efforts to strengthen the integrity of the financial system and prevent it from being exploited for criminal purposes.

266. The sectors designated as DNFBPs include a wide range of professions and activities that may, by their nature or activities, be exploited for money laundering or other illicit activities. For the purposes of this NRA, the sectors assessed are:

1. Games of chance;
2. Lawyers;
3. Notaries;
4. Accounting professionals;
5. The real estate sector;
6. Dealers in precious stones and metals;
7. Customs declarants.

A.1. Games of chance

267. Gambling has existed in Burundi since 1927, but was only regulated in 1985 with the creation of the Burundi National Lottery (LONA). Initially a public gambling company, LONA

became the regulatory authority for the sector in 2000. It was also in 2000 that the first private gambling company, Lydia Ludic, was licensed.

268. Currently, the gambling sector in Burundi includes fifteen companies operating in this field, generating a total turnover of BIF 20,000,000,000 at the end of 2023. These companies hold licenses allowing them to operate throughout the national territory and are supervised by the Burundi National Lottery (LONA). The Ministry of Commerce, which oversees, LONA, appoints its managers by presidential decree, on the proposal of the Minister of Commerce.

269. The sector is governed by two main texts: Decree No. 100/45 of May 2, 1985, establishing the National Lottery of Burundi, and Decree No. 100/231 of December 11, 1989, relating to the reorganisation of LONA. These texts are currently being revised in order to adapt them to economic and social developments. In the long term, LONA could be transformed into an agency dedicated to the regulation of games of chance, the Burundi Gaming Regulatory Agency (ARJH).

A.2. The lawyer sectors

270. The legal profession in Burundi is governed by Act No. 1/17 of July 24, 2023, amending Act No. 1/014 of November 29, 2002, which reformed the status of the legal profession.

271. According to information gathered from the Bar Associations, Burundi currently has 1,167 lawyers, including 697 registered with the Bujumbura Bar Association and 470 with the Gitega Bar Association, created in 1950 and 2010 respectively. In accordance with Article 2 of the law governing the profession, it is independent and liberal in Burundi.

272. The Bar Council of each Bar is responsible for the discipline of lawyers, supervision of the practice of the profession and compliance with professional ethics. The new legislation also created the National Bar Committee, a body responsible for unifying and adapting the rules and practices of the profession, resolving disputes between lawyers of the two orders, examining applications from foreign lawyers wishing to practice in Burundi, and receiving appeals against decisions of the various Bar Councils.

A.3. The notary sector

273. The Order of Notaries in Burundi is governed by Act No. 06/27 of March 27, 2023, amending Act No. 1/004 of July 9, 1996 relating to the organisation and functioning of the notarial profession, as well as the status of notaries.

274. Burundi currently has seven notaries, who are sworn public officers, appointed by decree. Their exclusive competence allows them to receive all acts and contracts to which the parties wish or must confer the authentic character, specific to acts of public authority. Notaries are also responsible for ensuring the date of these acts, keeping their deposit in minutes, and issuing authenticated copies in the form of gross, patents, copies and extracts.⁴³

A.4. The professional accounting sector

275. The accounting profession in Burundi is governed by Decree No. 100/053 of May 11, 2001, establishing the Order of Professional Accountants, as well as by Act No. 1/12 of November 25, 2020 relating to tax and non-tax procedures.

⁴³ Article 3 of Act No. 06/27 of March 27, 2023 amending Law No. 1/004 of July 9, 1996 on the organization and functioning of the Notarial profession as well as the status of Notaries

276. Since 2001, the accounting profession has had its own organisation, the Order of Professional Accountants (OPC), to which the regulatory texts have granted a monopoly on the practice in the areas of accounting bookkeeping and auditing. The OPC's bodies were established in 2006 after the adoption of its Internal Organisation Regulations and its Code of Ethics. Before this structuring, the profession was fragmented and made up of a variety of heterogeneous professions. In 2023, the OPC had 295 professionals, of whom 126 were independent certified auditors, authorized to practice as statutory auditors for large companies. In addition, the OPC listed 72 local audit firms.

277. The OPC is responsible for organizing and promoting the profession, protecting the interests of its members, third parties and the State, as well as defending the ethics and independence of the profession⁴⁴. The General Assembly represents the supreme body of the Order, while the National Council of the Order (CNO) is its executive body⁴⁵, ensuring the daily management of its activities.

278. The Minister of Finance exercises supervision of the Order in accordance with Article 27 of Ministerial Ordinance No. 540/1033 of 30 July 2004, which defines the implementing measures of the above-mentioned decree.

A.5. The real estate sector

279. The real estate sector in Burundi is divided into two main categories: built land and unbuilt land. This sector is experiencing rapid growth, characterized by major construction of buildings and villas, requiring substantial financial resources. However, it is difficult to understand the volume of these investments and to ensure the traceability of funds.

280. Questions arise regarding the financing arrangements for this major development, particularly in the absence of support from the banking sector. Furthermore, the origin of the funds invested does not seem economically justifiable, given the average income in Burundi.

281. The real estate sector has particular vulnerabilities to money laundering, primarily due to its lack of regulation. Specific sources of vulnerability include:

- **Lack of strict regulation:** The lack of clear legislation facilitates the use of the sector for laundering illicit funds;
- **Cash Transactions:** The frequent use of cash payments in real estate transactions helps to conceal the origin of the funds;
- **Lack of transparency:** The absence of reporting systems for large transactions complicates the traceability of financial flows;
- **Undervalued Properties:** Incorrect real estate appraisals can be used to justify funds of questionable origin;
- **Difficulty tracking owners:** The lack of a reliable register of properties and owners makes it difficult to identify the real beneficiaries;
- **Use of shell companies:** Shell companies may be created to disguise the source of funds and conceal the true owners;
- **Correlations with other vulnerable sectors:** The connection with other sectors, such as construction or trade, exposed to crime, exacerbates this vulnerability.

⁴⁴ Article 3 of Decree No. 100/053 of May 11, 2001 establishing the Order of Professional Accountants

⁴⁵ Article 6 of Decree No. 100/053 of May 11, 2001 establishing the Order of Professional Accountants

282. Real estate is often used to conceal illegally sourced funds. Indeed, money derived from criminal activities is invested in the real estate sector (land, buildings), then resold to integrate these funds into the financial system through the banking sector. Furthermore, land is one of the sectors most exposed to money laundering.

A.6. The precious metals and gemstones trader's sector

283. Mining activity in Burundi is governed by the Mining Code, derived from Act No. 1/19 of August 4, 2023, which amends Act No. 1/21 of October 15, 2013. It is overseen by the Ministry responsible for mines and quarries. This sector is divided into two main categories: minerals and quarries. It includes 19 mining companies, 20 mining cooperatives, 6 buying and selling counters for minerals, as well as 17 companies and 56 cooperatives in the quarry sector. The Burundian Office of Mines and Quarries (OBM), established by Decree No. 100/112 of May 30, 2016, oversees this sector.

284. Article 27 of the aforementioned Act stipulates that "only legal entities can hold a mining title. To obtain this title, any legal entity must have its registered office in Burundi before the title is issued and must inform the minister in charge of mines of any change of address within a period not exceeding one month."

285. Mineral substances subject to the legal mining regime are classified into two groups:
Group I: precious stones, fine stones, dimension stones, and fossil substances;
Group II: all other substances not subject to the quarry regime and not belonging to Group I (Article 5).

286. Furthermore, any mineral substance can only be exported after enrichment or refining. The enrichment percentage, as well as the authorization procedures and the establishment of mineral processing units, are defined by regulation (Article 12).

287. The new law, in its Article 110, excludes certain categories of people from managing mineral substances. These exclusions concern:

- Members of Parliament;
- Members of the Government;
- Agents and officials responsible for managing the mining, quarrying, and environmental sectors;
- Magistrates;
- Members of the defence and security forces;
- Provincial, communal, zonal, and hillside administration officials;
- Any person incapacitated by legal disability;
- Any person definitively convicted in the last ten years for violations of the Mining Code or its implementing regulations;
- Any person whose artisanal mining license has been revoked in the last three years;
- Any person whose authorization to buy and sell artisanal mining substances has been revoked in the last five years.

288. The commercialization of minerals is carried out through counters, which can either be transit counters (for imported minerals) or Burundian law counters (for locally extracted minerals). Buying and selling counters for mineral substances from semi-mechanized and artisanal mining operations are subject to an ad valorem tax (Article 221).

289. Activities related to the extraction of precious stones and metals are often characterized by the absence of income declaration, lack of transparency, and non-compliance with environmental and social standards. This may encourage certain actors to carry out transactions outside official channels, thus evading the controls and declarations required by tax and customs authorities.

290. Technological advancements have led to increased demand for metals and precious stones. This demand drives illegal mining, where actors operate outside the regulatory framework, thereby circumventing controls. Such illegal activity facilitates money laundering, allowing the profits generated to flow through unregulated channels.

291. In summary, the sector of precious stones and metals presents a high risk of money laundering due to its lack of transparency, illegal commercialization, and weak regulation.

A.7. The customs declaration sector

292. Customs declarants are governed by the East African Community Customs Management Act of 2004 and Act No. 1/02 of January 11, 2007, which establishes the Customs Code.

293. Customs declarants were established in 2000 and operate through their respective customs agencies. They are responsible for determining the amounts of duties and taxes and communicating all information concerning goods to customs, with the necessary documents provided by the clients.

294. As of May 2024, Burundi has 105 customs agencies grouped into 3 associations that represent them in case of disputes and are under the supervision of the OBR (Burundian Revenue Authority).

B. Evaluation of entry variables

295. These sectors have been assessed jointly because, although they have different responsible bodies for issuing licenses and overseeing operations, they share several common characteristics. On the one hand, no authority for supervision or control concerning anti-money laundering (AML) is clearly designated in the laws or regulations specific to these sectors. On the other hand, these sectors lack specific AML regulations, depriving them of essential supervision and compliance functions. As a result, these sectors are exposed to similar money laundering risks, thus justifying their joint assessment for entry variables.

1. Completeness of the AML legal framework

296. Act No. 1/02 of February 4, 2008, on AML and CFT is the primary legal framework for the prevention of these crimes, applicable to all the sectors assessed in this section. However, this Act has limitations, particularly its outdated nature, and does not include certain specific sectors within its scope. Furthermore, the sectors concerned do not have detailed, tailored regulatory frameworks for preventing money laundering and are often not fully aware of the issues related to AML.

Recommendations:

- **Update and complete the legislative and regulatory texts** related to AML/CFT to explicitly include all relevant sectors. This includes sectors such as gambling, lawyers, notaries, accounting professionals, real estate, customs declarants, and dealers in precious stones and metals;
- **Develop specific implementing regulations for each sector** to ensure compliance with obligations for vigilance and the prevention of money laundering and terrorist financing. These regulations should specify the measures and procedures appropriate to each sector, considering the specific risks associated with each activity;
- **Strengthen awareness among actors in these sectors** by providing them with clear, relevant information on AML issues and their legal obligations. Training programmes and awareness campaigns should be implemented to ensure a thorough understanding of the law's requirements and their effective implementation.

2. Effectiveness of supervision procedures and practices

297. The authorities overseeing designated non-financial businesses and professions (DNFBPs) exercise general supervision under their respective legislation. Regarding the CNRF (National Financial Intelligence Unit), it is responsible for , according to Decree No. 100/044 of March 16, 2020, establishing, organising and regulating the operations of the CNRF, for "inspecting and supervising reporting institutions to ensure compliance with AML reporting obligations." However, this provision has gaps that create confusion between the roles of the CNRF and those of the authorities overseeing the DNFBPs.

298. Additionally, Article 39 of the Anti-Money Laundering Act states that the CNRF becomes the supervisor of reporting entities that lack a supervisory authority. However, this Act does not clearly define these entities, making it difficult for the CNRF to accurately determine which entities fall under its supervision in accordance with this legislation.

299. The responsibility for active supervision, particularly in terms of AML compliance, should fall on the regulatory authorities of Designated Non-Financial Businesses and Professions (DNFBPs), as they are the traditional regulators of their respective sectors. However, it has been observed that compliance checks conducted by these authorities do not specifically focus on AML, which reduces their effectiveness.

300. While the CNRF has conducted several AML compliance inspections of banks and microfinance institutions (MFIs), it has not yet extended its supervision to DNFBPs. A clear and well-defined framework outlining the roles and responsibilities of DNFBP regulatory authorities (clearly identified) and the CNRF is essential to ensure more coherent and effective supervision.

Recommendations:

- **Identify and clarify roles and responsibilities:** It is crucial to identify reporting entities without supervisory authorities and clearly define the roles of the CNRF and DNFBP regulatory authorities. A legal or regulatory framework should be established to precisely delineate the supervisory responsibilities of each entity, avoiding confusion and ensuring more structured and effective supervision;
- **Strengthen DNFBP supervision by regulatory authorities:** DNFBP regulatory authorities should be empowered to conduct active and targeted AML supervision in their respective sectors. Protocols and adapted control procedures should be developed to explicitly integrate AML/CFT obligations into existing compliance checks;
- **Expand CNRF supervision to DNFBPs:** The CNRF should extend its supervision to DNFBPs, as mandated by its legal framework. To achieve this, a dedicated supervisory programme should be implemented, including targeted inspection missions to assess DNFBP compliance with AML standards;
- **Build capacities and conduct training for supervisory authorities:** It is essential to enhance the technical skills and knowledge of DNFBP regulatory authorities in AML/CFT through regular training sessions. This would ensure that compliance inspections are rigorous and aligned with international standards.

3. Availability and enforcement of administrative sanctions

301. The working group highlighted the absence of specific AML regulations in certain sectors, including real estate, lawyers, notaries, accounting professionals, customs brokers, and traders of precious metals and stones. This regulatory gap represents a major challenge.

302. In these sectors, administrative sanctions are generally considered for ethical and professional misconduct. However, with the exception of the gambling sector, where the Burundi National Lottery (LONA) imposes sanctions such as license revocation for money laundering violations (Article 15 of the standard gambling concession contract), other sectors do not include AML-related sanctions in their administrative sanction frameworks. Additionally, the working group found no instances where administrative sanctions were applied for AML non-compliance in these sectors.

Recommendations:

- Develop clear and sector-specific administrative sanctions to effectively address AML non-compliance;

- Ensure strict enforcement of these sanctions, including license suspension or revocation in relevant sectors.

4. Availability and Enforcement of Criminal Sanctions

303. Criminal sanctions are provided for in the 2017 Penal Code and Act No. 1/12 of April 18, 2006, which addresses anti-corruption and related offenses. However, in practice, the working group found no recorded convictions for money laundering (ML), raising concerns about the effective enforcement of criminal sanctions. This situation is partly due to a lack of understanding of money laundering offenses among stakeholders.

Recommendations:

- **Enhance the enforcement of criminal sanctions for money laundering (ML) offenses:** Authorities, including law enforcement and the judiciary, must strengthen efforts to identify, prosecute, and convict individuals involved in money laundering activities.
- **Improve training for judicial and law enforcement officials:** Specific training programmes should be established for judges, prosecutors, and police officers to enhance their understanding of money laundering offenses. This would help improve prosecution effectiveness and ensure a more systematic enforcement of criminal sanctions.

5. Availability and effectiveness of entry controls

304. In the context of AML/CFT, no adequate entry controls are in place for the sectors of gambling, lawyers, notaries, accounting professionals, real estate, customs brokers, and traders of precious metals and stones. The competent authorities in these sectors lack proper verification mechanisms when issuing licenses and registering operators.

Recommendations:

- Implement rigorous and systematic entry controls for each sector to ensure that businesses comply with AML/CFT requirements before obtaining licenses or being registered as operators;
- Establish a thorough background verification process, including checks on ultimate beneficial owners (UBOs) before granting licenses in the legal, accounting, real estate, and precious metals and stones trading sectors;
- Develop a harmonized legal framework for entry controls in high-risk sectors vulnerable to money laundering.

6. Integrity of personnel

305. The Working Group was unable to reliably assess the level of integrity of personnel in certain sectors, particularly in gambling, where operations take place online, and the software

used is often hosted in foreign jurisdictions. Similar challenges exist in other sectors, such as notaries, lawyers, and accounting professionals, due to limited traceability of activities—notably because of cash payments for fees and the lack of statistical data on disciplinary sanctions for personnel.

Recommendations:

- **Enhance oversight of high-risk sectors:** Establish monitoring mechanisms and conduct regular audits to assess personnel integrity, particularly in online gambling, legal, and accounting professions. These audits should include controls on financial transaction traceability and cash payments;
- **Promote the use of secure and traceable technologies:** In the online gambling sector, authorities should encourage the use of software and payment systems that ensure full transparency and are hosted in jurisdictions with strict regulations. This would help reinforce trust in the integrity of operations;
- **Establish a Disciplinary Sanctions Record:** A disciplinary sanctions record should be established for personnel. This record will help compile statistics on disciplinary cases. The higher the number of disciplinary sanctions, the lower the integrity level of personnel.

7. AML awareness among personnel

306. Personnel in the gambling, lawyers, notaries, accounting professionals, real estate, customs declarants, and precious metals and stones trading sectors have not yet received AML training. This lack of training contributes to insufficient awareness and management of money laundering risks in these sectors.

Recommendations:

- Implement regular training programmes for personnel in the affected sectors to raise awareness of money laundering and terrorist financing risks, as well as their compliance obligations;
- Develop sector-specific training modules tailored to the unique risks of each industry;
- Organise AML/CFT awareness sessions for lawyers, notaries, accounting professionals, real estate agents, customs declarants, and dealers in precious metals and stones.

8. Effectiveness of compliance functions (Organisation)

307. The Working Group found that no AML-specific compliance function currently exists in these sectors. As a result, no operators have designated an AML compliance officer, which significantly limits efforts in prevention and detection across different industries.

Recommendations:

- Ensure the creation and strengthening of compliance functions within businesses in each sector, by appointing designated AML/CFT compliance officers;
- Provide these compliance officers with the necessary resources to establish and maintain an effective compliance programme;
- Regularly assess the effectiveness of compliance policies and adjust them based on regulatory developments and sectoral risks.

9. Effectiveness of suspicious activity monitoring and reporting

308. Neither LONA, nor companies operating in the gambling sector, nor actors in other sectors have adequate systems for monitoring and reporting suspicious transactions (STRs). As a result, no STRs have been filed with the CNRF. The lack of training and absence of appropriate detection and reporting systems exposes these sectors to an increased risk of money laundering.

Recommendations:

- Establish monitoring and reporting systems for suspicious activities across all relevant sectors, ensuring that they are tailored to the specific nature of transactions in each sector (e.g., real estate transactions or precious stone purchases);
- Train personnel on detecting suspicious transactions and using reporting systems effectively.

309. The three variables below are explained in the National Vulnerability section (from paragraph 157 to paragraph 161) and maintain the same ratings:

11. Availability and access to beneficial ownership information;

12. Availability of reliable identification infrastructure;

13. Availability of independent information sources.

C. Assessment of the inherent vulnerability of sectors (DNFBPs)

310. The inherent vulnerability of each Designated Non-Financial Businesses and Professions (DNFBPs) was assessed based on the factors outlined in the table below.

Sectors Variables	Gambling	Notaries	Order of accounting professionals	Real Estate	Dealers in precious stones & metals	Customs declarants	Lawyers
Total value/size	MH	L	M	H	H	L	M

Sectors Variables	Gambling	Notaries	Order of accounting professionals	Real Estate	Dealers in precious stones & metals	Customs declarants	Lawyers
Client base profile	H	H	MH	H	H	MH	MH
Level of liquidity – related activity linked to the business/profession	L	VH	VL	H	M	L	VH
Other vulnerability factors: Use of agents in business/profession	N/E	N/E	N/E	MH	NA	N/E	N/E
Difficulty in tracing transactions	Exists	EL	N/E	ES	ES	EL	ES
Use of the business in fraud or evasion schemes	Exists	Exists	EL	ES	ES	EL	EL

H = High; VH = Very High; N/E = Does Not Exist; ES = Exists and Significant; EL = Exists but Limited; M = Medium; MH = Moderately High; NA = Not Analysed; VL = Very Low

D. Assessment of DNFBPs' vulnerability to ML

311. After evaluating the input and inherent variables for the gambling sector, lawyers, notaries, accountants, customs declarants, real estate, and dealers in precious metals, the findings are as follows:

- ✓ The gambling, notaries, accountants, lawyers' sectors have a **moderately high** level of vulnerability, hence 0.95;
- ✓ The real estate and dealers in precious metals sectors have a **moderately high** level of vulnerability, and
- ✓ The customs declarant sector, with a **medium** level of vulnerability.

Sector	Gambling	Notaries	Accountants	Real Estate	Dealers in Precious Stones & Metals	Customs Declarants	Lawyers
Rating	0.71	0.68	0.63	0.95	0.91	0.63	0.73
Vulnerability level	Moderately High	Moderately High	Moderately High	High	High	Moderately High	Moderately High

SECTION: 2. TERRORISM FINANCING RISK ASSESSMENT

2.1. General terrorism financing situation

2.1.1. General context

312. Although Burundi has experienced relative security stability in recent years, unrest has been caused by the armed group RED-Tabara, labelled as "terrorist" by the government. Emerging after the 2010 elections, this group radicalized during the political crisis of 2015⁴⁶. According to its spokesperson, Patrick NAHIMANA, "RED-Tabara⁴⁷ aims to restore the rule of law, revive the Arusha Agreement, and organize democratic elections."

313. Operating from South Kivu, the group has carried out multiple attacks in Burundi, particularly in Kabarore, Ruhagarika, Gatumba, and Buringa. The public prosecutor's office has opened investigations⁴⁸ into the Gatumba and Buringa massacres, which claimed nearly thirty lives.

314. Individuals linked to RED-Tabara have also instilled terror by throwing grenades into crowds in Bujumbura, resulting in numerous casualties. While these barbaric acts were quickly contained by law enforcement, they demonstrate the persistent threat posed by this group.

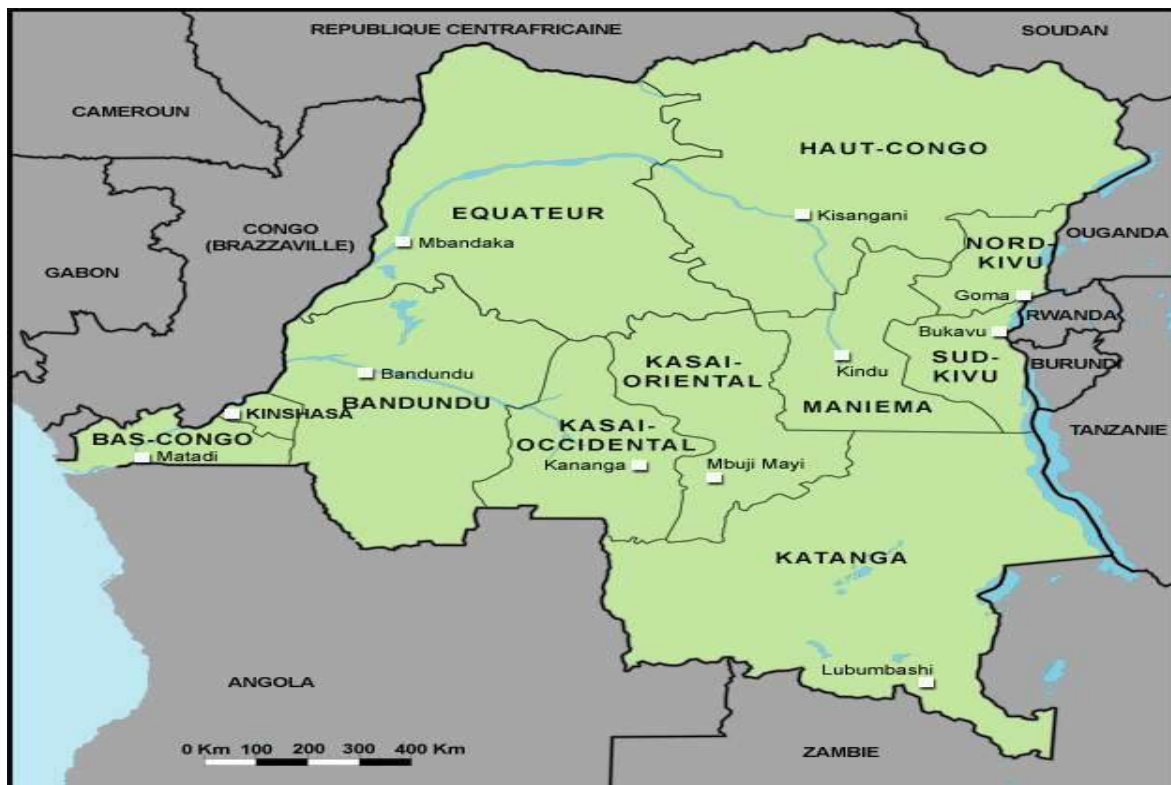
Map⁵⁰ of terrorist group locations posing a direct threat to Burundi

47 <https://www.jeuneafrique.com/304829/politique/burundi-melchiade-biremba-on-ne-defendre-democratie-belles-paroles/>

48 Press release from RED – Tabara dated August 29, 2024, signed by Patrick NAHIMANA, spokesperson

49 The files are verifiable in the competent jurisdictions of Burundi

50 Source: investigations conducted with the force deployed in the east of DRC.



315. The terrorist groups directly threatening Burundi are primarily located in the eastern part of the Democratic Republic of Congo (DRC), along the shared border.

316. Although no terrorist group is officially based in Burundian territory, the terrorist group RED-Tabara, classified as such by the Burundian government and subject to a request for listing on the United Nations' list of terrorist organisations, poses a direct threat. This group, which is mostly composed of Burundians, exerts constant pressure on the country.

317. The provinces of North and South Kivu in the DRC host a multitude of armed groups, including RED-Tabara, ADF, FDLR, M23, and LRA. These regions, rich in minerals, provide the financial resources necessary for these groups' survival and operations. As Roger Thamba Thamba emphasized in 2019 in *Financing Armed Groups and Democratic Governance in the Democratic Republic of Congo*, these mineral resources serve as "self-financing sources for all these groups"⁴⁹

2.1.2. Legal framework

318. At the national level, the legal framework is constituted by Act No. 1/02 of February 4, 2008, on combating money laundering and the financing of terrorism, and Act No. 1/27 of December 29,

51 RT Thamba, "Financing of armed groups and democratic governance in the Democratic Republic of Congo", 2019.

[Vol.44, No 2, Special Issue on Money, Security and Democratic Governance in Africa \(II\)/ Numéro spécial sur Argent, sécurité et gouvernance démocratique en Afrique \(II\), pp. 77-97 \(24pages\)](#)

2017, which revises the Penal Code of Burundi (PCB) and criminalizes terrorism and its financing in Chapter IV, "Acts of Terrorism and Bioterrorism."

2.1.2.1. International conventions related to terrorism financing

319. The international conventions related to the fight against terrorism and its financing, to which Burundi is a party, include:

- International Convention for the Suppression of the Financing of Terrorism, signed by Burundi in November 2001;
- United Nations Convention against Transnational Organized Crime, signed by Burundi on December 14, 2000, and ratified on May 24, 2012;
- Protocol against the Smuggling of Migrants by Land, Sea, and Air, supplementing the United Nations Convention against Transnational Organized Crime, signed by Burundi on December 14, 2000, and ratified on May 24, 2012;
- United Nations Convention against Corruption, adhered to by Burundi on March 10, 2006;
- International Convention for the Suppression of Acts of Nuclear Terrorism, signed by Burundi on March 29, 2006, and ratified on September 24, 2008.

320. Burundi is not a party to the United Nations International Convention for the Suppression of the Financing of Terrorism of 1999, as it is only a signatory. Burundi has not yet ratified it. Consequently, Burundi is a party to three out of the four conventions required by FATF Recommendation 36.

2.1.2.2. Targeted financial sanctions against terrorist financing

321. Burundi has not established a comprehensive legislative or regulatory framework for implementing United Nations Security Council Resolutions 1267 and 1373 on terrorism and the financing of terrorism. The same applies to Resolutions 1718 and 2356 of the United Nations Security Council on the financing of proliferation.

322. The Burundian authorities (specifically the Ministry of Foreign Affairs and Economic Development Cooperation) have confirmed that, as a member state of the United Nations, Burundi receives the United Nations Security Council lists through its Mission in New York. However, it has not been able to explain whether and how the lists are then disseminated to all individuals and entities in Burundi with instructions to immediately freeze, without delay or notice, the funds and other assets of designated persons and entities.

323. With regard to national designations under United Nations Security Council Resolution 1373, Burundi has not established or identified a competent authority or court responsible for national designations either on its own initiative or at the request of another country.

2.2. Assessment of the terrorist financing risk at the national level

324. Burundi faces an indirect terrorist financing (TF) threat due to the presence of terrorist groups in the region, particularly in the Democratic Republic of Congo (DRC). Groups such as RED-Tabara, ADF, FDLR, M23, and LRA, although primarily based in eastern DRC, can pose a threat to the stability of Burundi.

325. Investigations conducted by the working group have shown that no terrorist group is directly established within Burundian territory. However, the geographical proximity and historical links between the two countries make Burundi vulnerable to the activities of these groups. The abundant natural resources in the region, including minerals, serve as an important source of funding for these groups and may indirectly fuel terrorist financing in Burundi.

Diagnostic analysis on how funds are collected, moved, and used

Sources of funding	Assets: movement and use of funds	Channels for TF
Control of natural resources	Assets in the financial sector	Banks and payment institutions: bank transfers, cash withdrawals, and prepaid cards
International donations/global TF	Cash and virtual currency	Legal entities and arrangements
Self-financing	Management of private companies	NGOs
Grassroots funding/ Crowdfunding	Strategic goods (gold ingot)	Smuggling
Financing through NGOs	Real estate	

326. The table above shows the diagnostic analysis of how the six terrorist groups (RED-Tabara, M23, ADF, FDLR, Al-Shabaab, and LRA) collect, move, and use funds. The terrorist group Al-Shabaab poses a direct threat to Burundi due to its military involvement as part of the African Union Mission in Somalia (AMISOM). Terrorist groups exploit natural resources in the regions where they are based to finance their activities.

327. Burundi's vulnerability to terrorist financing is exacerbated by several factors: the unstable regional context, a high level of vulnerability to money laundering and terrorist financing (AML/TF), and the predominance of the informal sector. These conditions foster the use of the financial, real estate, and private companies' sectors for terrorist financing. Informal trade exchanges, particularly smuggling, with the DRC also represent a significant risk.

328. The geographical proximity to the DRC and the personal links between the populations of the two countries increase the likelihood that Burundians may provide support—whether moral, financial, or material—to terrorist groups operating in the region. United Nations reports indicate that some countries in the region, such as Rwanda⁵⁰, indirectly support armed groups

⁵³ Final report of the UN Expert Group on the Democratic Republic of Congo, July 9, 2024

operating in eastern DRC. This support can take various forms and enhance the ability of these groups to carry out terrorist activities.

329. The porous borders between Burundi and the DRC, as well as the proximity to conflict zones, facilitate the provision of strategic equipment, goods, and services to armed groups.

2.3. Assessment of the terrorist financing (TF) risk linked to the activities of Non-Profit Organisations (NPOs)

2.3.1. Description of NPOs that meet the FATF definition operating in Burundi

330. In accordance with FATF Recommendation 8, the term "Non-Profit Organisation" (NPO) refers to "legal entities or bodies involved in the collection or distribution of funds for charitable, religious, cultural, educational, social, fraternal, or other benevolent purposes."

331. In Burundi, the NPO sector includes both foreign organizations, referred to as Foreign Non-Governmental Organizations (FNGOs), and local NPOs, primarily Non-Profit Associations (NPAs). There are 104 foreign NPOs and more than 8,000 local NPOs, with around thirty of them involved in partnerships for the implementation of projects funded by foreign NPOs.

332. Among the foreign NPOs, 33 come from the United States, 54 from Europe, including Belgium, the Netherlands, the United Kingdom, and Italy, which have 14, 13, 9, and 8 organisations operating in Burundi, respectively. Four organisations come from Asia (North Korea and Japan), and five come from three African countries: Libya, Uganda, and Kenya.

333. NPOs, particularly FNGOs, play a crucial socio-economic role due to their fundraising capabilities. For example, in 2022, World Vision had a budget of USD 29,408,829.15, and Cordaid had a budget of BIF 30,073,000,000. In 2023, these amounts were USD 22,155,079.82 and BIF 37,454,000,000, respectively.

2.3.2. Legal framework for NPOs operating in Burundi

334. To regulate and oversee the activities of FNGOs and NPAs, and given their increasing number, the size of the funds at their disposal, and their involvement in various sectors, the Burundian government has established several legislative and regulatory texts governing this sector, including:

- Act No. 1/01 of January 23, 2017, regulating FNGOs in Burundi;
- Act No. 1/02 of January 27, 2017, relating to NPAs;
- Decree No. 100/066 of May 8, 2020, establishing the creation, mission, and operation of the Interministerial committee for monitoring and evaluation of FNGOs;
- Ministerial Order No. 204.01/31/MAECD/2020 of October 5, 2020, defining the conditions, modalities, and procedures for the accreditation or suspension of foreign FNGOs in Burundi.

335. According to Article 23 of Act No. 1/01 of January 23, 2017, the areas and fields of intervention of FNGOs are defined in consultation with the relevant ministries, taking into account government priorities. This Act also specifies that FNGOs' resources must be directed towards projects aimed at improving the living standards of the population.

336. The conditions, procedures for accreditation, and suspension of FNGOs are governed by Ministerial Order No. 204.01/31/MAECD/2020. To operate in Burundi, FNGOs must submit the required documents as outlined in Article 2 of this order. FNGOs are under the supervision of the Ministry of Foreign Affairs and Economic Cooperation.

337. As for local NPOs, they must submit a request to the Ministry of the Interior, accompanied by the necessary documents in accordance with Article 21 of Act No. 1/02 of January 27, 2017. The statutes of NPAs must be drafted in authentic form before a notary, as per Article 50 of this Act.

2.3.3. Evidence of NPO Abuse for terrorist financing (TF) purposes

338. During the assessed period, the working group (WG) found no convictions related to NPOs operating in Burundi. Likewise, no investigations, alerts, or prosecutions for terrorist financing have been recorded concerning Burundian FNGOs, either at the national or international level.

2.3.4. Assessment of inherent risks

339. The two categories of NPOs identified (FNGOs and NPAs) are assessed together due to the absence of distinct criteria justifying their separation. No NPO has been identified as presenting increased risks, whether related to terrorist financing abuse or other particular characteristics. Furthermore, no NPO operates in terrorist-risk zones or targets populations known for their sympathies with terrorist groups.

2.3.5. Assessment of inherent vulnerability

340. This assessment covers FNGOs and NPAs that benefit from foreign funding. The choice of these categories is due to the significant budgets available to these NPOs, in comparison with local NPOs without external funding. Local NPAs are generally small, with limited financial resources, mainly sourced from the monthly contributions of their members (an average of 2,000 BIF per member).

341. The inherent vulnerability of NPOs is assessed as medium (0.5), considering fourteen input variables such as the size of the organisations, the type of activity, the complexity of control structures, and the level of transparency in fundraising methods, etc.

2.3.6. Assessment of mitigating factors

342. Mitigating factors include measures taken by the government and the NPOs themselves. The assessment of government measures focuses on the quality of awareness, NPO policies, the FATF

NPO registry, the availability of information on NPOs, and measures that do not hinder their activities.

b. Quality of awareness and education

343. Regarding this variable, the working group (WG) was unable to carry out an evaluation, as the concept of terrorist financing (TF) is not integrated into the legislation governing NPOs. Therefore, this issue does not constitute a control criterion. Furthermore, the services responsible for monitoring NPOs are not aware of the TF risks associated with these organisations.

c. Quality of NPO policies

344. The quality of the internal policies of NPOs is considered low due to the lack of clear policies for managing these organisations. However, the government has implemented laws defining administrative responsibilities in managing NPOs and control mechanisms.

345. There is an Interministerial Committee for monitoring and evaluation of FNGO activities, which is responsible for assessing the social impact of projects and reviewing administrative documents, internal and external audits, as well as the regularity of semi-annual and annual reports to ensure management in line with commitments made with the government (Articles 35 and 36 of Act No. 1/01 of January 23, 2017).

346. The committee's report is forwarded to the Ministry of Foreign Affairs, which decides on the actions to be taken regarding FNGOs, such as halting or suspending their activities or initiating legal proceedings (Article of Decree No. 100/066 of May 8, 2020).

347. In addition to this committee, two ministerial directorates are responsible for NPOs: one for FNGOs, at the Ministry of Foreign Affairs, and the other for NPAs, at the Ministry of the Interior, Community Development, and Public Security.

348. Some units within sectoral ministries coordinate the monitoring of projects by partner FNGOs (Article 34 of the 2017 Act on cooperation between Burundi and FNGOs).

349. However, the actions of these bodies are limited by a lack of human and financial resources, and the reports produced do not seem to have an impact, as no sanctions have been taken despite reported irregularities.

Conclusion

350. From the perspective of the geographical location of terrorist groups, based on multiple consistent sources, the working group (WG) found that Burundi does not host terrorist groups on its territory, but rather to the east of the DRC, which still represents a direct threat to Burundi.

351. Given the regional security context, the (high) level of national vulnerability to money laundering and terrorist financing (ML/TF), and the predominance of the informal sector, the WG has reasons to believe that the financial and real estate sectors, as well as private companies, could be used to finance terrorism.

352. Other sources of funding for these terrorist groups include support from various allies and crowdfunding. The existence of familial links, at times, with members of terrorist groups leads to the assumption that some Burundians (sympathizers) provide moral, financial, and/or material support to these terrorist groups.

353. The legal framework for countering terrorism financing (CTF) has been established, but it presents some gaps. However, the implementation of the legal provisions related to CTF reveals weaknesses that hinder monitoring, reporting, prosecution of offenders, and the imposition of targeted financial sanctions against terrorism, terrorist financing, and the proliferation of weapons of mass destruction, thus representing a significant vulnerability to TF.

354. The lack of specialized human resources, sufficient financial resources, appropriate equipment, and adequate training, as well as issues with corruption, increases the risk of TF. The absence of a competent authority to carry out national designations, in accordance with UNSC Resolution 1373, constitutes a weakness in the CTF framework.

355. The assessment of the terrorist financing (TF) risk related to the activities of Non-Profit Organizations (NPOs) operating in Burundi showed that there is no concrete evidence indicating that these organisations are involved in terrorist activities. Despite the scale of funding and projects, particularly for foreign NPOs with significant budgets, no NPO has been identified as having links with terrorist groups.

356. Local NPOs, although numerous, mainly operate with limited resources, often from local contributions. Furthermore, while legislative and regulatory texts exist to regulate the sector, control and oversight mechanisms are still insufficient. The legal framework put in place by the government, although under development, has gaps in terms of awareness and training regarding the risk of terrorist financing.

357. In terms of inherent vulnerability, the NPO sector presents a low to medium risk due to the diversity of entities involved, but also due to operational difficulties stemming from a lack of human and financial resources to carry out rigorous controls.

Recommendations:

- Establish a legal and regulatory framework necessary for monitoring, denunciation, repression of offenders and the application of targeted financial sanctions against terrorism, the financing of terrorism and the proliferation of weapons of mass destruction;
- Develop and implement a continuing training programme in AML matters, for the benefit of all stakeholders in the AML/CFT value chain;
- Provide the competent bodies with specialized human resources, sufficient financial resources and suitable equipment;

- Designate a competent authority to make national designations, in accordance with United Nations Security Council Resolution 1373;
- **Strengthen controls and supervision:** The Burundian government should strengthen monitoring of NPOs, in particular by increasing the number of controls on funded projects and ensuring that allocated resources are used wisely. It is crucial to ensure transparency in the management of funds, requiring detailed financial reporting and regular audits;
- **Raise awareness and conduct training of stakeholders:** It is essential to introduce awareness programs regarding the financing of terrorism, aimed at government actors and NPO managers. These programs should include training on detecting terrorist financing risks and good fund management practices.

3. GENERAL CONCLUSION

NRA results

358. The results of the NRA reveal that Burundi faces considerable challenges, threatening financial stability, the integrity of its economic system and its sustainable development. Indeed, the country faces a serious threat due to a complex criminal environment marked by embezzlement, tax and customs offenses, corruption, smuggling, trafficking in minerals, precious stones and drugs as well as human trafficking. Overall, vulnerability is high resulting from high sectoral vulnerability and the country's low capacity to effectively counter these threats.

Gaps identified

359. The national assessment highlighted a significant lack of reliable statistical data, particularly in the public sectors. This deficiency is aggravated by the absence of a clear governance framework for the collection and use of this data, which constitutes a major obstacle to the effectiveness of AML/CFT.

360. The Burundian legal framework regarding AML/CFT presents significant gaps: the roles and responsibilities of the various supervisory authorities are not clearly defined, and there is a legal vacuum regarding the designation of these authorities. In addition, legal provisions relating to corporate compliance with AML/CFT measures are insufficient.

361. Burundi currently has neither a national policy nor a risk-based strategy to combat money laundering and terrorist financing. This lack of an overall strategic framework hinders the coordination of efforts and the effective allocation of resources.

362. The country faces a lack of coordination between the different entities involved in AML/CFT. The absence of a national coordinating authority responsible for steering and supervising all actions carried out in this area is particularly problematic.

363. The framework for consultation between senior political authorities on AML/CFT issues is insufficient. This gap prevents informed decision-making and sufficient mobilization of the resources necessary to confront these threats. The Burundi FIU, although being a key element of the AML/CFT system, faces several constraints. It lacks sufficient financial, human and material resources to fully fulfill its mission. In addition, the CNRF staff are not always sufficiently trained in financial analysis techniques.

364. Burundi does not have a specialized agency dedicated to managing seizures and recovering criminal assets. The absence of such a mechanism considerably weakens the effectiveness of AML, by depriving the State of financial resources resulting from crime

365. The Burundian judicial system does not have a specialized jurisdiction to handle cases related to money laundering and the financing of terrorism. The absence of such a jurisdiction could lead to longer judgment times and reduced expertise of the magistrates responsible for these cases.

366. The bodies investigating and repressing financial crimes in Burundi suffer from a lack of financial and human resources. Furthermore, the staff of these bodies do not yet have the specific skills required to carry out complex money laundering investigations.

367. Knowledge regarding AML/CFT is largely insufficient among all the stakeholders concerned, whether financial institutions, legal professionals, or even DNFBPs. This lack of awareness and training constitutes a major obstacle to the effective implementation of AML/CFT measures.

368. Burundi's borders, particularly those that the country shares with the DRC, are porous due to a lack of suitable human and technical resources. This situation facilitates illicit activities such as the trafficking of minerals and precious stones.

369. The informal sector occupies an important place in the Burundian economy, thus limiting the traceability of financial transactions and encouraging money laundering activities.

370. The identification system for Burundian citizens is unreliable and does not guarantee the security of personal data. The lack of a robust identification infrastructure facilitates identity theft and fraudulent activity.

371. Burundi does not have a national register of beneficial owners, which makes it difficult to identify the true owners of companies. This lack of transparency promotes anonymity and facilitates money laundering.

372. Burundian reporting institutions do not sufficiently detect suspicious transactions and do not systematically report Suspicious Operations (SO) to the CNRF. This failure is due to a lack of suitable software, training, inadequate internal procedures and a poorly developed compliance culture.

373. The AML/CFT compliance function is often absent or poorly implemented within reporting institutions. Compliance managers, where they exist, do not always have the necessary resources to carry out their missions and are not sufficiently independent.

374. The Burundian legal and regulatory framework does not provide specific provisions for the implementation of United Nations Security Council resolutions 1267 and 1373, which aim to combat the financing of terrorism.

375. Burundi has not yet formally designated a competent authority to designate persons and entities linked to terrorism, in accordance with United Nations Security Council resolutions.

376. Burundi is a signatory to several international conventions. However, it has not yet ratified the 1999 Convention on the Suppression of the Financing of Terrorism, although it is a signatory.

377. Regarding mutual legal assistance, it is implemented for international requests relating to terrorism, money laundering and terrorist financing. These requests are received by the ministry responsible for Foreign Affairs. However, the law does not specify outgoing requests, nor the terms of cooperation for the confiscation and seizure of illicitly obtained property.

378. Moreover, the law does not define simplified procedures for extradition and does not specify whether Burundi can extradite its own citizens.

379. The laws governing non-profit organisations (NPOs) in Burundi do not contain specific provisions to prevent the financing of terrorism.

380. Burundian NPOs and their control and supervision authorities face several challenges in the fight against the financing of terrorism. The latter lack risk awareness, financial resources and coordination.

Recommendations

381. With a view to mitigating the identified risks, the evaluation team proposes the implementation of solid measures. To do this, the Burundian authorities should:

- 1) Establish a statistical tool (software centralizing statistical data on a national scale) and a clear governance framework for the collection and use of data;
- 2) Update the legal framework to clearly identify the dedicated supervisory authority for each sector and clarify the roles and responsibilities of the Unit and traditional supervisors in matters of AML/CFT, first in the AML/CFT law, and then in sectoral laws;
- 3) Develop a national AML/CFT policy and strategy;
- 4) Establish a national coordinating authority for AML/CFT efforts and initiatives;
- 5) Establish a consultation framework for senior political authorities in matters of AML/CFT;
- 6) Make the CNRF fully operational, by ensuring that it is equipped with sufficient financial resources, offices and IT infrastructure aligned with international FIU standards, as well as sufficiently trained staff, so that it can play a leading role in the construction of the national AML/CFT regime;
- 7) Establish an agency specializing in the management of seizures and the recovery of criminal assets;

- 8) Establish a specialized jurisdiction (a Court and its Prosecutor's Office) to handle cases relating to ML/TF;
- 9) Provide the bodies investigating and repressing financial crimes with sufficient human and financial resources and strengthen the skills of their staff in financial investigation;
- 10) Develop and implement training programmes for the benefit of the staff of supervisory bodies and reporting entities;
- 11) Strengthen international cooperation to fight transnational financial crimes, but also controls at Burundi's borders, particularly those it shares with the DRC (increase in the number of border agents, investment in modern detection equipment and monitoring);
- 12) Accelerate the implementation of the financial inclusion policy;
- 13) Establish a reliable and secure citizen identification infrastructure;
- 14) Establish a national register of beneficial owners, accessible to the competent authorities;
- 15) Improve the detection of suspicious transactions within reporting institutions and report all suspicious transactions to the FIU without delay;
- 16) Establish/strengthen the compliance function, within all reporting institutions, through the creation of dedicated compliance departments/directors, but also, the appointment of a compliance manager with the necessary authority to perform this function;
- 17) Establish a legal and regulatory framework necessary for the application of targeted financial sanctions against terrorism, the financing of terrorism and the proliferation of weapons of mass destruction;
- 18) Designate a competent authority to make national designations, in accordance with United Nations Security Council Resolution 1373;
- 19) Prioritize the ratification of the United Nations International Convention for the Suppression of the Financing of Terrorism of 1999;
- 20) Provide, when amending the AML/CFT Law, provisions/procedures for outgoing requests for mutual legal assistance and provisions on mutual legal assistance relating to tracing of illicitly obtained property, proceeds, confiscation and seizure and ensure the implementation of mechanisms for seizure of incoming and outgoing mutual legal assistance;
- 21) Provide for simplified extradition procedures which clearly stipulate that Burundian citizens can be extradited in the event that such a measure is not contrary to the spirit of the Constitution of Burundi;
- 22) Provide, in the laws and regulations governing NPOs, provisions relating to prevention against FT;
- 23) Provide the control/supervision bodies of NPOs with sufficient financial resources as well as specific training on the FT risk linked to the activities of NPOs.

382. Faced with these challenges, the recommendations made in this report offer an essential roadmap to strengthen Burundi's resilience in the face of these threats and vulnerabilities. The Burundian authorities should act urgently and in a coordinated manner on several priority areas:

the revision of the legal and institutional AML/CFT framework to align it with international standards; strengthening national capacities for the prevention, detection and repression of financial crimes; promoting transparency and integrity to fight corruption and strengthening international cooperation to counter transnational financial crime networks.

383. These measures are crucial to fill existing gaps, clarify the responsibilities of relevant actors, and ensure a coherent and effective response against money laundering and terrorist financing, in order to ensure a more secure and prosperous future for Burundi.

384. To achieve this, it will be necessary to ensure a clear political will and the active involvement of all actors, both national and international (the competent authorities, the private sector, Burundi's development partners, etc.) in order to enable Burundi to overcome these challenges and create a healthier and more transparent economic environment, conducive to sustainable and inclusive development, guaranteeing financial stability and the restoration of investor confidence.

Action Plan to Mitigate Identified Risks

Source of risk	Key action	Detailed action plan	Managers	- Short Term - Medium term - Long Term
1) Incompleteness and inadequacy of law n°1/02 of February 4, 2008 on the fight against money laundering and the financing of terrorism (AML/CFT)	Update the AML/CFT law to bring it into line with international standards	1. Define a mechanism for consultation between senior political authorities in matters of AML/CFT; 2. Provide for the creation of a national AML/CFT coordinating authority or committee; 3. Provide for a competent court or authority to make national designations, consistent with United Nations Security Council Resolution 1373 4. Provide for the creation of an authority specialized in the management of seizures and the recovery of illicit assets 5. Provide the mechanism for applying targeted financial sanctions in accordance with FATF Recommendations 6 and 7 6. Clarify the roles and responsibilities of regulatory and supervisory authorities in matters of AML/CFT 7. Provide for provisions relating to incoming and outgoing requests for mutual legal assistance as well as the tracing of illicitly obtained property, proceeds, confiscation and seizure 8. Provide for simplified extradition procedures which clearly stipulate that Burundian citizens can be extradited in the event that such a measure is not contrary to the spirit of the Constitution of Burundi; 9. Provide specific provisions for the implementation of United Nations Security Council resolutions 1267 and 1373	- CNRF - Ministry of Justice - AML/CFT Advisory Council (if already established)	Short term

2) The effective non-operationalization of the FIU	Make the FIU fully operational	1. Provide the FIU with sufficient financial resources, offices and IT infrastructure aligned with international FIU standards, as well as sufficiently trained staff	• CNRF • MFBPE • Partners	Short term
		2. Guarantee the FIU operational independence and management autonomy enabling it to accomplish its mission		
3) Lack of a risk-based national AML/CFT policy and strategy	Develop a risk-based national AML/CFT policy and strategy	1. Establish a committee responsible for developing the national AML/CFT policy and strategy based on risks 2. Make available to the Committee the necessary financial and logistical resources	▪ CNRF ▪ MFBPE ▪ AML/CFT Advisory Council (if already established)	Short term
4) Ineffectiveness of national cooperation: • Absence of a consultation framework for senior political authorities • Absence of a national AML/CFT coordinating authority	Establish a consultation framework for senior political authorities in matters of AML/CFT	1. Prepare a draft decree relating to the organization, composition, missions and operation of this framework	• CNRF • Ministry of Finance • Presidency of the Republic • CNRF • Ministry of Finance • Presidency of the Republic	Short term
	Establish a national coordinating authority for AML/CFT efforts and initiatives	2. Appointment of members of this consultation framework		
		1. Prepare a draft decree on the organization, composition, missions, and functioning of this authority		
		1. Appointment of members of this authority		
5) Lack of financial and human resources for bodies supervising, investigating and repressing financial crimes, including ML/FT	Provide the supervisory, investigation and repression bodies of financial crimes with sufficient human and financial resources	1. Recruit sufficient staff	▪ Ministry of finance ▪ Ministry of Justice ▪ AML/CFT Advisory Council	Short to medium term
		2. Strengthen the skills of existing staff through training in financial investigation		
		3. Provide bodies for supervision, investigation and repression of financial crimes with a sufficient budget		

6) Lack of knowledge regarding AML/CFT within all financial institutions, legal professionals, and even DNFBPs.	Ensure awareness and training of stakeholders in AML/CFT matters	1. Develop and implement training programs for the benefit of the staff of supervisory bodies and reporting entities;	▪ The actors concerned ▪ CNRF ▪ AML/CFT Advisory Council	Short to medium term
		2. Raise awareness and train financial institutions, DNFBPs and legal professionals on AML/CFT		
7) Ineffective detection and reporting of suspicious transactions (STR)	Improve the detection of suspicious transactions within reporting institutions and report all suspicious transactions to the FIU without delay	1. Raise awareness among those subject to AML/CFT to develop a culture of compliance	▪ CNRF ▪ Subjects ▪ AML/CFT Advisory Council	Short to medium term
		2. Acquisition of software adapted to detect suspicious transactions		
		3. Train reporting entities on internal procedures relating to AML/CFT		
8) Compliance ineffectiveness	Establish/strengthen the compliance function, within all reporting institutions	1. Creation of compliance departments/directors	• Subjects ▪ AML/CFT Advisory Council	Short to medium term
		2. Appointment of a compliance manager with the necessary authority to ensure this compliance function,		
		3. Provide compliance managers with the necessary resources to carry out their missions with complete independence.		
9) Porosity of borders	- Strengthening international cooperation to combat transnational financial crimes -Strengthen border monitoring	1. Establish/Strengthen joint mechanisms to combat cross-border crime	▪ Migration ▪ SNR ▪ OBR ▪ CNRF	Medium to Long Term
		2. Increase in the number of border agents, especially with the DRC		
		3. Investment in modern detection and monitoring equipment)		
10) Predominance of the informal economy	Accelerate the implementation of the financial inclusion policy	Accelerate the implementation of the financial inclusion policy	▪ BRB ▪ AML/CFT Advisory Council	Medium to Long Term

11) Delay in ratification of the 1999 Convention on the Suppression of the Financing of Terrorism	Prioritize ratification of the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism	Ratify the United Nations International Convention for the Suppression of the Financing of Terrorism of 1999	- Ministry of External Relations, Foreign Affairs and Development Cooperation - AML/CFT Advisory Council	Short to Medium Term
12) Absence of a specialized jurisdiction to deal with Money Laundering and Terrorism Financing cases	Establish a specialized jurisdiction to deal with Money Laundering and Terrorism Financing cases	- Amend the law relating to the organization of judicial powers to insert provisions relating to the creation of this jurisdiction - Prepare a draft decree relating to the organization, composition, missions and functioning of this jurisdiction - Appointment of members of this jurisdiction	- AML/CFT Advisory Council - FIU - Ministry of Justice - Presidency	Long to Medium Term
13) Absence of a specialized agency dedicated to the management of seizures and the recovery of criminal assets	Establish an agency specializing in the management of seizures and the recovery of criminal assets	- Prepare a draft decree relating to the organization, composition, missions and operation of this agency - Appointment of members of this agency	- Ministry of Justice - FIU - Presidency - AML/CFT Advisory Council	Medium to Long Term
14) Lack of reliable statistical data	Set up a statistical tool	- Acquisition of software centralizing statistical data on a national scale - Establish a clear governance framework for data collection and use	- INSTBU - AML/CFT Advisory Council - Sector ministries	Medium to Long Term
15) Incompleteness of the laws governing non-profit organizations (NPOs) in terms of CFT	Include, in the laws and regulations governing NPOs, provisions relating to prevention against FT	Revision of the law governing NPOs to incorporate specific provisions to prevent the financing of terrorism.	- Ministry of External Relations - Ministry of Justice - AML/CFT Advisory Council	Medium to Long Term
16) Ineffective citizen identification infrastructure	Establish a reliable and secure citizen identification infrastructure	- Establish a reliable and secure national database - Establish tamper-proof identity cards	Ministry of the Interior	Medium to Long Term

			▪ AML/CFT Advisory Council	
17) Absence of a national register of beneficial owners	Establish a national register of beneficial owners, accessible to the competent authorities	Establish a regulatory framework relating to the establishment and management of a national register of beneficial owners	▪ Ministry of Trade ▪ ADB ▪ AML/CFT Advisory Council	Medium to Long Term

SOURCES AND REFERENCES

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- *Act No. 1/17 of August 22, 2017 governing banking activities;*
- *Act No. 1/27 of December 29, 2017 revising the Penal Code;*
- *Act No. 1/12 of April 18, 2006 on measures for the prevention and repression of corruption and related offenses;*
- *Organic Act No. 1/21 of August 3, 2019 amending Law No. 1/07 of February 25, 2005 governing the Supreme Court;*
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- *Act No. 06/27 of March 27, 2023 amending Law No. 1/004 of July 9, 1996 relating to the organization and operation of the Notariat as well as the status of Notaries;*
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- *Decree No. 100/053 of May 11, 2001 creating the Order of Professional Accountants;*
- *Act No. 1/02 of January 27, 2017 on the organic framework of non-profit organizations;*
- *National Financial Inclusion Strategy (SNIF) 2015-2020;*
- *BRB investigation report on the supply of formal financial products and services in Burundi as of December 31, 2021;*
- *World Bank Report, 2023;*
- *Publication of the IWACU Journal dated February 20, 2019.*

ANNEX : LIST OF PARTICIPATING INSTITUTIONS

1. National Financial Intelligence Unit (CNRF)
2. Ministry of Justice
3. Burundi National Police (PNB)
4. Anti-corruption court
5. Ministry of Hydraulics, Energy and Mines
6. Burundian Revenue Office (OBR)
7. National Intelligence Service (SNR)
8. Presidency of the Republic
9. Ministry of Finance, Budget and Economic Planning

10. Prime Minister
11. Bank of the Republic of Burundi (BRB)
12. Association of Banks and Financial Establishments (ABEF)
13. University of Burundi (UB)
14. Insurance Regulation and Supervision Agency (ARCA)
15. Insurance Company of Burundi (SOCABU)
16. Association of Insurers of Burundi (ASSUR)
17. Network of Microfinance Institutions (RIM)
18. National Association of COOPECs of Burundi (FENACOBUR)
19. Bar of lawyers
20. B-switch
21. Telecommunications Regulation and Control Agency (ARCT)
22. Ministry of Commerce, Transport, Industry and Tourism
23. Commercial Bank of Burundi (BANCOBU)
24. Community and Agricultural Bank of Burundi (BCAB)
25. Ministry of the environment, agriculture and livestock
26. Office of the Attorney General of the Republic
27. KCB Bank
28. Business Insurance and Reinsurance Company (BIC)
29. Régie Nationale des Postes (RNP)
30. Exchange office
31. Caisse Coopérative d'Épargne et de Crédit Mutuel (CECM)
32. Order of Professional Accountants (OPC)
33. Notary Office
34. Ministry of the Interior, Community Development and Public Safety
35. Interbank Burundi (IBB)
36. Observatory for the Fight against Corruption and Economic Malversations (OLUCOME)
37. Words and Actions for the Awakening of Consciousness and the Evolution of Mentalities (PARCEM)
38. Federal Chamber of Commerce and Industry of Burundi (CFCIB)
39. Burundi National Defense Force (FDNB)
40. BCN-INTERPOL
41. Caritas Burundi
42. National Bank for Economic Development (BNDE)
43. National Lottery of Burundi (LONA)
44. Azimuts Insurance Brokers
45. Reliable and Faithful Customs Clearance Agency (ADEFI)
46. Credit Bank of Bujumbura (BCB)
47. Rugori Group
48. Burundian Office for Environmental Protection (OBPE)
49. Association for Progressive African Youth (AJAP)
50. National Institute of Statistics of Burundi (INSBU)
51. Burundi Development Agency (ADB)
52. Ministry of Foreign Affairs and Development Cooperation

