REPUBLIC OF BOTSWANA

Financial Intelligence Agency

FIA FINANCIAL INTELLIGENCE AGENCY

2023/24 ANNUAL REPORT

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SUBMISSION OF THE 2023/24 ANNUAL REPORT TO THE MINISTER OF FINANCE

Date: 29th November 2024

Honorable Minister
Ministry of Finance
Private Bag 008
Gaborone

Dear Minister Ndaba N. Gaolathe

I have the honour to submit the second Annual Report on the operations of the Financial Intelligence Agency for the year 2023/2024.

The Annual Report is submitted in accordance with Section 62 (1) of the Financial Intelligence Act, 2022.

Yours Sincerely,

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Bopelokgale Soko
DIRECTOR GENERAL

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ACRONYMS AND ABBREVIATIONS

AML	Anti-Money Laundering
BURS	Botswana Unified Revenue Service
CDD	Customer Due Diligence
CFT	Counter Financing of Terrorism
CTR	Cash Transaction Report
CFP	Counter Financing of Proliferation
DFIs	Development Finance Institutions
DNFBPs	Designated Non-Financial Businesses and Professions
EFT	Electronic Funds Transfer
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency, also referred to as the "Agency"
FI Act	Financial Intelligence Act, 2022, also referred to as the "Act"
FIU	Financial Intelligence Unit
goAML	Government Office on Anti-Money Laundering
ICRG	International Cooperation Review Group
ICIFF	Institute for Combatting Illicit Financial Flows
LEAs	Law Enforcement Agencies
ILEPF	Intelligence, Law Enforcement and Prosecution Forum
MTI	
MLG&RD	Ministry of Trade and Industry
	Ministry of Local Government and Rural
ME	Development
ML	Mutual Evaluation
MVTS	Money Laundering
MER	Money or Value Transfer Services
NBFIs	Mutual Evaluation Report
NPO	Non-Bank Financial Institutions
NRA	Non-Profit Organisations
PF	National Risk Assessment
PPSD	Proliferation Financing
SACCOS	Public Private Sector Dialogue
STR	Savings and Credit Cooperative Societies
TF	Suspicious Transaction Report

BOTSWANA AML/CFT/CFP JOURNEY: KEY MILESTONES

1999
Botswana became a member of the ESAAMLG

2007
Botswana's First Mutual Evaluation

2009
Enactment of the Financial Intelligence Act

2010
Establishment of the Financial Intelligence Agency

2013
Financial Intelligence Agency became fully operational

2014
Launch of the goAML system

2017
Botswana's Second Mutual Evaluation

2018
Botswana Grey listed by FATF

2018
Amendment of the Financial Intelligence Act

2019
Re-enactment of the Financial Intelligence Act

2019
Establishment of the AML/CFT/CFP Supervisory Forum

2020
Black listing of Botswana by the European Union

2021
Financial Intelligence Agency admission into EGMONT Group of Financial Intelligence Units

2021
Botswana's Delisting from the FATF Grey List

2022
Re-enactment of the Financial Intelligence Act

2022
Amendment and issuance of the Implementation of UNSCR Regulations under the Financial Intelligence Act

2022
Delisting from the European Union blacklist

2022
Assumption of ESAAMLG Presidency and Chairpersonship

2023
Establishment of the Law Enforcement Agency and Intelligence Forum

2023
Submission of the first FIA Annual Report

2023
Hosting of the ESAAMLG Task Force of Senior Officials and Council of Ministers' meetings

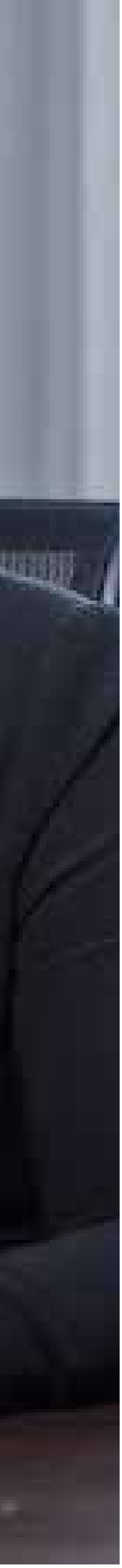
KEY STATISTICS FOR THE YEAR 2023/24

Value	Statistic
56529	Total Number of Reports
1 182 351	Cash Transactions
47.3 billion	Value of Cash Transactions (BWP)
933	Suspicious Transaction Reports (STRs)
426.7 million	Value of STRs (BWP)
82	Suspicious Activity Reports (SARs)
3 739 228	Electronic Funds Transfers (EFTs)
746.3 billion	Value of EFTs
378 614	International Funds Transfers (IFTs)
486.6 billion	Value of IFTs
3389	Number of Cross Border Cash Declaration Reports
175 million	Value of Cross Border Cash Declarations (BWP)
61	Domestic Information Requests
79	Disseminations to Competent Authorities
6	Incoming Foreign Information Requests
9	Outgoing Foreign Requests
2	Number of Supervisory Examinations
2	Number of Enforcements
1175	Number of Reporting Entities on goAML
89	Number of Regulated Entities
29	Number of circulated UNSC Sanctions
12	Freeze Orders

DIRECTOR GENERAL'S REMARKS

I have great pleasure in presenting the 2023-2024 Annual Report for the Financial Intelligence Agency (FIA). This is the second Annual Report published by FIA to provide an account of its activities and inform the public about its overall strategic and operational performance. The Report underscores the commitment of FIA to its primary mandate of safeguarding the financial system from illicit use, combating money laundering, terrorism financing, proliferation financing and promoting national security through reciept, analysis, and dissemination of financial intelligence.

Pursuant to its mandate, FIA continued to strengthen its efforts to fight financial crimes through a number of avenues including (among others) improvements in the process of receiving statutory reports from reporting entities. In this regard, the number of reporting entities registered on goAML increased by 11.3% percent from 1056 entities recorded during the year 2022/2023, to 1175 entities recorded in 2023/2024. Similarly, the number of reports received by the Agency increased tremendously, with the suspicious transactions reports received increasing by 65.1 percent in the current year compared to the previous year.



The year 2023/2024 saw a global increase in online scams. The INTERPOL Global Crime Trend Report (2022) presented online scams as posing very high threat to money laundering globally. In Botswana over P31 million from online scams was restrained during the year under review. In response to the threat, FIA supported the relevant stakeholders to raise public awareness regarding the online scams. In addition, FIA continues to work with its domestic and international partners to prevent, detect and combat all forms of financial crime. In order to assist in fighting these crimes and as part of its core mandate, FIA produced and disseminated 79 financial intelligence reports to support a range of investigations of related financial crimes by domestic and international law enforcement agencies. In addition, FIA continued to collaborate with domestic and international partners to address some of the identified threats. For example, during the reporting period, FIA established the Intelligence, Law Enforcement and Prosecution Forum (ILEPF) to enhance inter-agency cooperation in fighting financial crime.

FIA conducted two (2) risk based onsite examinations on some of its supervised entities during the year under review. The examinations were supplemented by the continued offsite monitoring of supervised entities for compliance to the AML/CFT/CFP requirements, and the ongoing engagement, trainings and issuance of policy guidelines.

The notable highlights of the year 2023/2024 for FIA and its stakeholders were the various celebrations of the FIA 10th anniversary. Even though the Agency was established in 2010, it became fully operational in 2013, making 2023 its 10th year in operation. Throughout the FIA's 10-year tenure, the Agency witnessed significant growth in terms of number and skills of employees, infrastructure development including the launch of goAML System in 2014 and attainment of the FIA's membership to the Egmont Group in 2021 to mention a few. The FIA in collaboration with private and public stakeholders undertook a series of commemorative events including the commemorative 10 km Walk, the Road Shows and the AML/CFT/CFP Conference, to promote awareness and understanding of the FIA's mandate and the role of the public in the fight against money laundering and financial crimes. I would like to appreciate profoundly all stakeholders, both from the public and private sector, who collaborated with the Agency during the commemorative activities

I also take this opportunity to thank the Government of Botswana especially H.E. President Dr. Mokgweetsi Eric Keabetswe Masisi, former President of the Republic of Botswana, Hon. Peggy Onkutlwile Serame, former Minister of Finance and the entire executive leadership of this country, for the support given to the FIA during the year in review and over the many years of its existence.

The FIA remains committed to its mission to contribute to a financial crime free Botswana. Consequently, on behalf of the FIA Staff, I would like to pledge our full support and unwavering commitment to contribute towards building the integrity and stability of the financial sector in Botswana and internationally. I have no doubt, that the FIA will continue to strengthen and develop capabilities to effectively discharge their mandate.

Looking ahead, the FIA will continue to strengthen partnerships and collaboration with stakeholders, both local and international, to disrupt illicit financial activities and to build a robust AML/CFT/CFP regime. The next financial year will see intensified preparations for the next mutual evaluation, which is expected in 2027. Key amongst the initiative will be the operationalisation of the Institute for Combating Illicit Financial Flows (ICIFF) in collaboration with the University of Botswana. The Institute will offer research and training on anti-money laundering, counter financing of terrorism, counter proliferation financing and financial crime.

As I conclude, I wish to specifically extend profound gratitude to the employees of the FIA, who worked diligently to produce the impressive results that are captured throughout this Annual Report. None of the achievements highlighted in this Report would have been possible without their dedication. For that, I remain grateful.

01

WHO WE ARE

Mission

To provide unparalleled financial intelligence to fight financial crime in Botswana and beyond.

Vision

To protect the integrity and stability of Botswana's financial system through the effective coordination and implementation of the anti-money laundering and counter-financing of terrorism regime.

Values

Accountability

Confidentiality

Integrity

Timeliness

Excellence

LIVING OUR VALUES

Accountability

Accepting responsibility for honest and ethical conduct towards our stakeholders.

"Being accountable in the workplace is centred on an individual's ownership for their actions, decisions and performance. This behaviour enables one to have self-motivation to deliver on assignments and maintain commitment to work. Paired with setting clear and measurable goals for oneself, and striving for punctuality in meeting deadlines will ultimately lead to improved performance, both at individual and organisational level, and this is the FIA that I want to work for!" - **Thapelo**

Confidentiality

Living our oath to guard against unauthorised disclosure of information and taking measures to ensure information in our custody is protected.

"As an officer responsible for issues of cyber security and data protection, confidentiality comes natural to me. This means driving and upholding the initiatives in making sure that certain information is ONLY accessible to authorised officers. As a technology person, I am aware that people in the organisation believe that IT resources are enough to handle issues that threaten confidentiality which is opposite to the truth. I therefore dedicate my time to raise awareness on what members of staff should do to achieve privacy and confidentiality for the benefit of our organisation" - **Moseki**

Integrity

Living up to our moral principles or code.

"Integrity is the cornerstone of our operations, reflecting our commitment to honesty, transparency, and ethical conduct in all our activities. It ensures that we uphold the highest standards of accountability and trust in the pursuit of financial security and justice." - **Willie**

Timeliness

The ability to produce a response within an allotted time determined by the task requirements.

"The intelligence, information sharing, and timely dissemination provide necessary methods to allow efficient, protection, delivery, response, and feedback of relevant information. So, timeliness is a key factor in intelligence collection, especially in rapidly changing environments or time-sensitive operations. The ability to collect, process, and analyse information quickly enhances the relevance and effectiveness of intelligence products." - **Sebate**

Excellence

Setting high expectations, continuously improving processes and striving for highest quality results in all areas of work.

"To me achieving excellence means taking significant strides towards achieving strategic goals through quality work and valuable outcomes". - **Mooketsi**

"Excellence is not a skill, but it's about reaching your full potential and being the best of which you are capable. As the Intelligence Agency family, we believe in continuous improvement to increase our efficiency, effectiveness and the quality of our intelligence products" - **Legwaila**

What we do

The Financial Intelligence Agency was established by an Act of Parliament to anchor the implementation of the AML/CFT/CFP legal and regulatory Framework in Botswana. The Agency draws its mandate mainly from Sections 6 and 49 of the FI Act which give it powers to:

- Monitor the financial system for purposes of detecting and countering money laundering, terrorist financing, proliferation financing and other financial crimes.

- Disseminate financial intelligence to law enforcement and other relevant authorities.

- Regulate and supervise entities for compliance with the Financial Intelligence Act (FI Act).

- Enforce compliance to AML/CFT/CFP requirements.

- Provide policy advice on AML/CFT/CFP issues.

FIA Team

Bopelokgale Soko **Director General**

The Director General is responsible for the overall administration and management of the Agency. She oversees the development and implementation of plans and targets to deliver high quality financial intelligence service in accordance with the statutory obligations, ensuring that the organisation's objectives are fully met. Additionally, she builds and maintains strategic and productive relationships with relevant domestic, regional and international stakeholders.

Koongalele Sibi Chube **Deputy Director General Analysis & Monitoring**

Ms. Chube is responsible for planning and coordinating the operations of the Analysis and Monitoring as well at the ICT Divisions. Key functions include provision of oversight over the generation and dissemination of financial intelligence products and to oversee implementation and management of ICT and physical security solutions.

Susan Mangori **Deputy Director General Legal and Compliance**

Ms. Mangori is responsible for ensuring that the Financial Intelligence Act is aligned to international standards for combatting ML/TF/PF and to oversee implementation of policies and procedures to ensure compliance with the requirements of the FI Act by FIA supervised sectors. Additionally, she provides oversight over the human resources function within the Agency.

FIA Staff

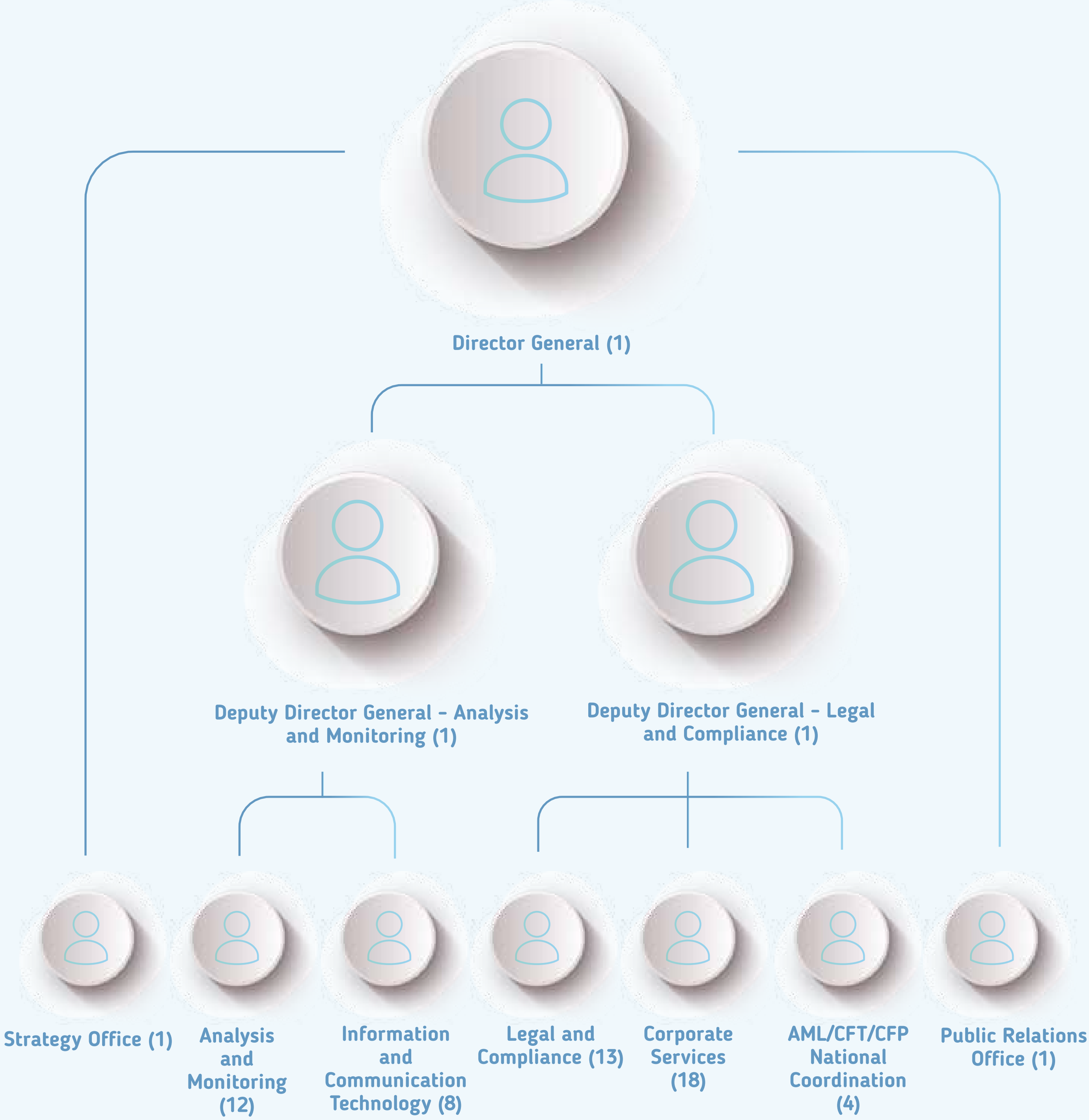
60 staff complement, 53 in post and seven (7) vacancies.

Officers seconded to FIA

Two (2) officers seconded from Botswana Police Service.

FIA Officers seconded to other Agencies

One (1) officer seconded to the Counter-Terrorism and Fusion Division.


Director General (1)
Deputy Director General - Analysis and Monitoring (1)
Deputy Director General - Legal and Compliance (1)
Strategy Office (1)
Analysis and Monitoring (12)
Information and Communication Technology (8)
Legal and Compliance (13)
Corporate Services (18)
AML/CFT/CFP National Coordination (4)
Public Relations Office (1)

02

FIA AS AN AML/CFT/CFP SUPERVISORY AUTHORITY

Section 2 of the FI Act gives FIA the supervisory responsibility for a specified party or accountable institution that does not have a supervisor. As an AML/CFT/CFP supervisor, the FIA is responsible for supervision of Development Finance Institutions (DFIs) and Car Dealerships. DFIs are government agencies which provide funding for economic development projects whereas car dealerships are private entities involved in the business of selling vehicles. As at March 31st, 2024, FIA had 89 supervised entities, of which 87 were car dealerships and two (2) DFIs. Table 1 below provides statistics on the number of FIA supervised entities.

Table 1. FIA Supervised Entities as at 31st March 2024

ENTITY TYPE	NUMBER OF ENTITIES
Car Dealerships	87
Development Finance Institutions	2
TOTAL	**89**

The FIA employs various supervisory tools and interventions to monitor and enhance compliance to AML/CFT/CFP requirements. These include the following;

- Sectorial Risk Assessments
- AML/CFT/CFP Examinations
- Training and Outreach Programmes
- Offsite Monitoring
- Registration and reporting on goAML
- Implementation of UNSC Resolutions
- Enforcement
- Development and implementation of Policy and Regulation

2.1 Sectorial Risk Assessment

In terms of Section 49 (1)(g) of the Act, the FIA conducts risk assessments of the sectors it supervises in order to facilitate understanding of the ML/TF/PF risks in the sectors. Pursuant to this requirement, FIA conducted the ML/TF/PF risk assessment of the car dealership sector in 2022. Following completion of the risk assessment, the Agency developed an Action Plan intended to address issues raised in the risk assessment. A Task Force comprising of relevant AML/CFT/CFP stakeholders including Botswana Police Service and Ministry of Trade and Industry (MTI) was established to oversee the implementation of the Action Plan. As at end of March 2024, the following key activities from the Action Plan had been undertaken:

Two (2) key stakeholders, MTI, who are the custodian of the Trade Act, and the Ministry of Local Government and Rural Development (MLG&RD) who are the implementers of the Trade Act were sensitised on their AML/CFT/CFP obligations, relating to car dealerships;

Two (2) awareness workshops targeted at licensing authorities were conducted on the 14th June 2023 and 11th July 2023 where a total of 89 officials attended; The objective was to sensitize licensing authorities on AML/CFT/CFP obligations relating to car dealerships.

An Annual Supervision Plan for the year 2023/24 was developed to guide supervisory activities including outreach and examinations;

A Sanctions Process relating to the implementation of administrative sanctions as provided for in the FI Act was developed. The process is based on principles of natural justice to ensure fairness and consistency in the enforcement of administrative sanctions.

In line with Section 13 (1) of the Act, the two (2) DFIs conducted their Institutional risk assessments during the period under review. The risk assessments reflected low ML/TF/PF risk in the entities. The FIA continues to monitor their risk through among others, offsite monitoring and onsite examinations.

2.2 AML/CFT/CFP Examinations

Pursuant to Section 36 (2) of the Act, FIA conducted onsite examinations of two (2) car-dealerships during the period under review. The purpose of the examinations was to assess the level of compliance of the entities with the AML/CFT/CFP requirements. The examination revealed the following deficiencies;

Inadequate level of compliance to the requirement to conduct CDD

Low level implementation of UNSCR financial sanctions

Deficient record keeping practices

Inadequate level of compliance to statutory reporting obligations

Table 2 below provides the number of on-site examinations conducted on regulated entities in the past five (5) financial years. The entities chosen for examination were selected using the risk based approach.

Table 2: Onsite Examinations; 2019/20 – 2023/24

YEAR	NUMBER OF EXAMINATIONS CONDUCTED
2019/2020	8
2020/2021	0
2021/2022	2
2022/2023	3
2023/2024	2

2.3 Training and Outreach Programmes

During the review period, the FIA conducted four (4) awareness and two (2) training workshops. The training workshops were meant to assist participants' understanding and implementation of sanctions issued by the United Nations Security Council while outreach activities focused on creating awareness around the mandate of the FIA as well as the AML/CFT/CFP obligations of Licensing Authorities. Table 3 provides information on outreach and training.

Table 3: Training and Outreach Programmes

INSTITUTION	Type of Activity	Topic Discussed	Date	No. of participants	Venue
Ministry of Local Government and Rural Development	Outreach	AML/CFT/CFP Obligations	14th June 2023	81	Virtual
			11th July 2023	8	Gaborone
Car Dealerships	Training	United Nations Security Council Resolutions	28th - 29th June 2023	15	Gaborone
Ministry of Education and Skills Development	Outreach	Role of the FIA as it relates to Procurement	7th August 2023	15	Gaborone
			14th August 2023	38	Palapye
			18th September 2023	30	Virtual
Land Boards	Outreach	FIA Mandate	9th November 2023	46	Palapye
Companies and Intellectual Property Authority	Training	United Nations Security Council Resolutions	13th December 2023	16	Gaborone
Directorate of Public Service Management	Outreach	Money Laundering in relation to Corruption	26th February 2024	32	Gaborone

2.4 Offsite Monitoring

The FIA conducts offsite monitoring on its supervised entities following an examination to ensure that identified gaps are closed. This is done through a remedial plan. The entities are expected to adhere to the set timelines for implementation of recommended actions and provide periodic feedback. Periodic updates are assessed offsite and this may result in scheduled follow up visits or unannounced/spot checks.

2.5 Registration and Reporting on goAML

Reporting entities are obligated to report suspicious transactions and file threshold reports in line with Sections 38,39 and 42 of the Financial Intelligence Act respectively. In order to facilitate adequate reporting, the FIA encourages reporting entities to register and submit reports through the goAML system. GoAML system is an online reporting and database application used by the Agency to receive, process and maintain financial disclosures. Table 4 below provides statistics on registered reporting entities on the goAML system.

Table 4. Entities Registered on goAML as at 31st March 2024

NO	Industry	Industry Size	2022/2023	2023/2024
1	Accountants	277	253	268
2	Attorneys	300	58	60
3	Banks	11	11	11
4	Bureaux de Change	52	33	34
5	Car Dealerships	87	36	37
6	Casinos	7	9	7
7	Botswana Unified Revenue Service	1	1	1
8	Precious, Semi Precious Stones, and Precious Metal Dealers	97	68	69
9	Electronic Payment Services/Money or Value Transfer Services	24	23	23
10	Non-Bank Financial Institutions	810	403	506
11	Non-Profit Organisations	108	14	16
12	Real Estate Professionals	143	106	106
13	Savings and Credit Cooperatives	78	41	37
	Total	**1995**	**1056**	**1175**

As at March 31st, 2024, there were 1 995 reporting institutions with only 59 per cent (1 175) registered on goAML. There has been a slight increase of 11.3% in goAML registration mainly due to a 26% increase in goAML registrations in the NBFI sector as well as sustained collaborative efforts between the FIA and supervisory authorities. However, six (6) entities from the casinos and SACCOS were de-registered from goAML due to revocation of license by the licensing authorities or, in some cases, deletion of duplicate accounts from the system.

2.6 Implementation of UNSC Resolutions

Botswana implements the obligations relating to targeted financial sanctions on terrorism and proliferation financing under the UNSCRs mainly through the Financial Intelligence (Implementation of the United Nations Security Council Resolutions - UNSCRs) Regulations 2022. The FIA acts on delegated responsibility from the National Coordinating Committee on Financial Intelligence to ensure effective implementation of the UNSCRs. A total of 29 targeted financial sanctions lists were received and cascaded during the year, and in all cases no properties belonging to the listed individuals or entities were found in Botswana.

2.7 Enforcement

The FIA provides legal expertise, enforcement of FI Act and the subsidiary legislation in cases of failure to comply with the statutory obligations by the reporting entities. In this regards, two (2) car dealerships were administratively fined for failure to comply with the FI Act in the reporting period.

2.8 Development and Implementation of Policy and Regulation

The FIA ensures that the national AML/CFT/CFP policies and laws are aligned with international standards. The Agency issues directives and guidance notes to regulated entities and other stakeholders. Furthermore, the FIA enforces compliance to AML/CFT/CFP regulatory framework. To this end, consultations on review of the FI Act commenced in February 2024. The review was necessitated by the need to address outstanding recommendations from the Mutual Evaluation as well as implementation challenges.

03

STATUTORY REPORTS

The FI Act empowers the Agency to receive certain reports from specified parties and accountable institutions. Such reports include Suspicious Transactions, Cash Transactions, Cross Border Cash Declarations, International Funds Transfers and Electronic Funds Transfers. Figure 1 below shows the number of reports received during the reporting period.

Figure 1: No of Reports Recorded during the year 2023/24

3.1 Suspicious Transaction Reports

During the period under review, the Agency received 933 STRs, an increase of 65.1 percent from 565 received in 2022/23. The increase was mainly driven by the hike in illegal-deposit taking incidents where fraudulent individuals or entities lured unsuspecting individuals into depositing money in to their ventures promising them high returns.

Despite the rise, the total value of STRs received in 2023/24 was P426.7 million, significantly lower than the P2.0 billion reported in the previous year. This substantial reduction in the value of STRs can be attributed to several factors. Firstly, there was a noticeable shift in the nature and scale of the suspicious transaction reported. In the previous year, the high value STRs were predominantly driven by large-scale financial transactions linked to major fraud and money laundering schemes.

In contrast, the current period saw a surge in smaller, more frequent illegal deposit-taking activities, which, although higher in number, involved comparatively smaller amounts of money per transaction. The banking sector accounted for 88.7 percent of all the STRs filed with the Agency.

Recognising the critical need for comprehensive reporting across all sectors, the Agency is actively undertaking several initiatives to encourage other sectors to report. These include extensive outreach and training programmes targeted at non-banking financial institutions and other designated non-financial businesses and professions. These programmes are designed to educate specified parties and accountable institutions about their reporting obligations, the importance of filing STRs, and the specific indicators of suspicious activities relevant to their sectors. Table 5 shows the number and value of STRs reported during the years 2022/23 and 2023/24.

Table 5: Number and Value of STRs by Sector: 2022/23 and 2023/24

SECTOR	2022/23		2023/24	
	No. of Reports	Amount (BWP)	No. of Reports	Amount (BWP)
Banking	393	1,702,048,301.25	828	420,919,160.08
Bureaux de Change	57	1,419,796.49	46	279,821.00
Money or Value Transfer Services	33	554,470.72	30	361,902.98
Car dealerships	22	5,840,673.02	9	3,074,953.98
Casinos	15	693,461.00	4	46,150.00
Savings and Credit Cooperatives	14	3,223,066.20	1	75,000.00
Botswana Unified Revenue Service	8	313,901.24	0	0
Insurance Brokers	6	60,790.72	0	0
Accountants	4	280,456,233.00	1	45,000.00
Attorneys	3	427,246.00	0	0
Pawnshops	3	227,924.00	0	0
Insurance Companies	2	4,911,668.82	2	643,859.96
Micro lenders	2	10,000.00	3	245,000.00
Virtual Asset Service Providers	1	474,054.25	4	809,970.00
Asset Management	0	0	3	41,442.14
Real Estate Professionals	1	22,400.00	0	0
Medical Aid	1	2,080.00	1	36,714.00
Development Finance Institutions	0	0	1	129,827.80
Total Reports of the Year	**565**	**2,000,686,066.71**	**933**	**426,708,801.94**

During the period under review, the most prevalent suspected predicate offences were tax crimes, fraud, and illegal deposit taking. Tax crimes included the use of personal accounts for business transactions and the externalisation of business proceeds. Fraud offenses included obtaining money by false pretenses, theft by employees, and computer-aided scams.

Box 1 below provides more details on the top three predicate offenses observed during the year under review.

Illegal Deposit Taking

This refers to the unauthorised soliciting of deposits from the public without proper regulatory approval or adherence to established financial regulations. This offence was perpetuated by unlicensed entities and individuals who solicited money from the public for online investments. Unauthorised deposit taking contravenes Section 3 of the Banking Act, 1995.

Illegal deposit taking cases in Botswana are on the rise. For this reporting period, the Agency received around 404 illegal deposit taking suspicious transaction reports. From these reports the observed patterns were Ponzi Schemes, Investment, Religious, and Romance Scams among others.

Fraud

These are deceptive practices to manipulate and defraud unsuspecting individuals their hard earned money. The most common type of fraud were online scams and pyramids marketed mainly through various social media platforms.

Tax Evasion

Tax evasion is the illegal act of deliberately and knowingly avoiding the payment of taxes owed to a government. It involves intentionally misrepresenting financial information or engaging in fraudulent activities to reduce tax liability. The most common tax evasion method was through non declaration of business bank accounts and use of personal bank accounts for business purposes which were not declared to BURS.

Figure 2: Suspicious Transaction Reports from 2019/20 - 2023/24

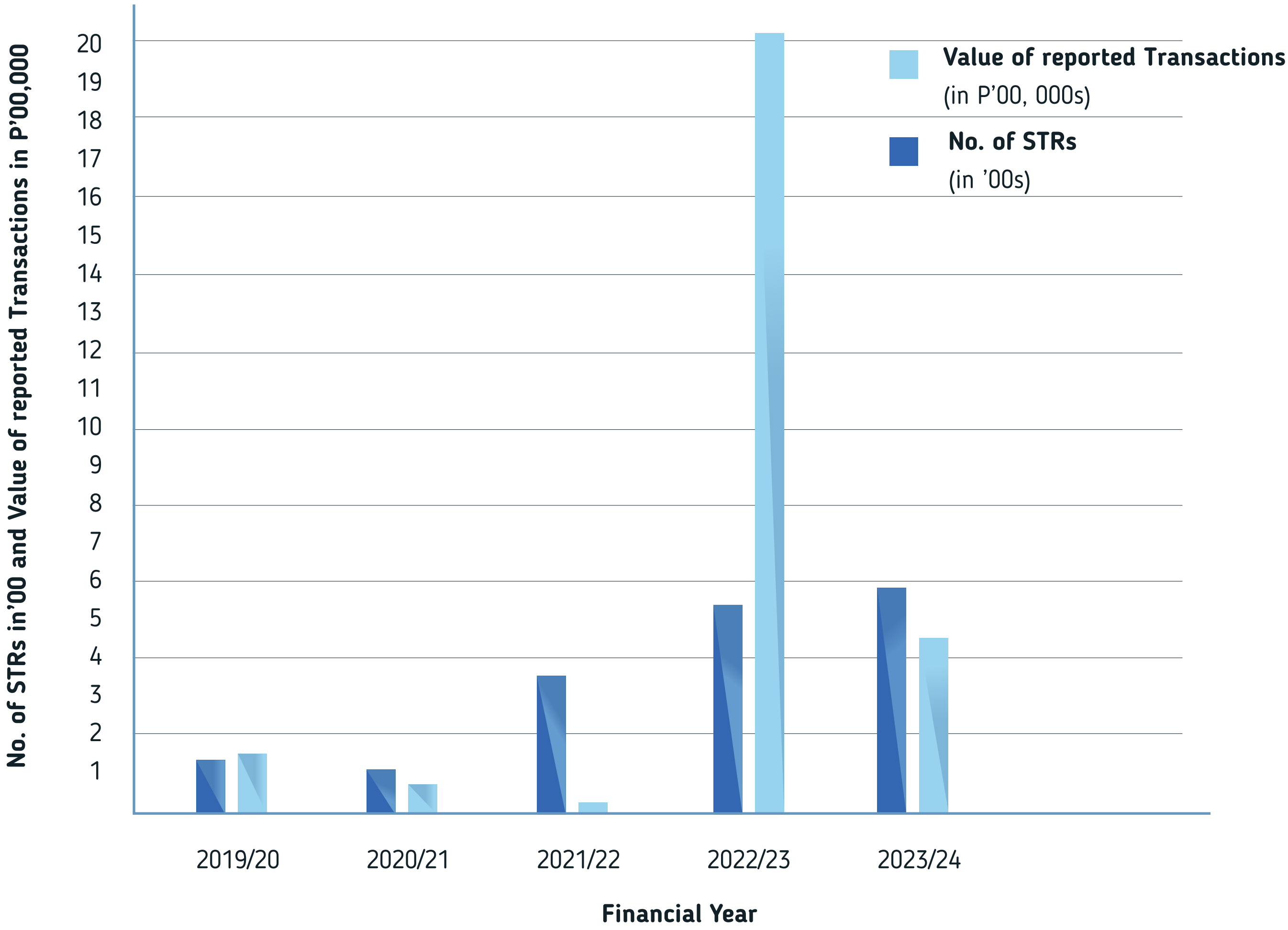


Chart 1 above provides a five-year trend of number of STRs submitted to the Agency and the corresponding values. The trend shows a general year on year increase in the number of reports submitted. The increase can be attributed in part to the proactive interventions by the Agency and other supervisory authorities in increasing awareness around reporting obligations.

3.2 Suspicious Activity Reports

A SAR is a report filed by a reporting entity about a suspicious activity or behaviour by a customer who attempts, but does not proceed with conducting a transaction. During the review period, the FIA received 82 SARs. Of the 82 reports, 40 percent were reported by Virtual Asset Service Providers (VASP), followed by the banking sector at 32 percent.

3.3 Cash Transaction Reports

The FI Act mandates Reporting Entities to report cash deposits and withdrawals amounting to P10 000.00 or more. During the year under review, the Agency received a total of 24 381 cash transaction reports compared to 24 711 received during 2022/23. As observed with the STRs, the banking sector filed more reports, 48.7 percent compared to other sectors followed by the Casinos and MVTS sectors. A decrease in the cash transaction reports may be attributable to; under reporting by some sectors and a shift towards more non-cash transactions (e.g. digital payments, bank transfers).

The Agency is actively working to address non-compliance issues and ensure that reporting entities maintain high standards of compliance and reporting. The following Table provides the number and value of cash transaction reports for the two (2) year period 2022/23 and 2023/24.

Table 6: Cash Transaction Reports by Sector: 2022/23 and 2023/24

	2022/23		2023/24	
	No. of Reports	Amount (BWP)	No. of Reports	Amount (BWP)
Banks	19,123	56,962,138,838.31	11,870	46,634,429,349.41
Casinos	1491	322,640,479.55	3677	485,940,292.37
Money or Value Transfer Services	1940	4,309,176,735.38	3651	48,435,731.57
Bureaux de Change	1249	38,515,679.42	4455	105,975,949.84
Car Dealerships	331	7,928,628.15	263	9,495,457.32
Insurance Brokers	180	4,063,336.45	235	7,231,150.48
Development Finance Institutions	21	2,101,684.70	20	1,746,783.55
Micro Lenders	231	0	64	1,469,117.19
Savings and Credit Cooperatives	50	755,682.28	47	886,754.00
Attorneys	47	3,826,186.06	25	370,349.15
Insurance Companies	5	33,279.00	2	245,000.00
Medical Aid	0	0	3	42,751.00
Botswana Unified Revenue Service	4	136,171.19	3	55,131.33
Retailers	8	131,199.68	1	15,000.00
Electronic Payment Service Providers	31	262,922.31	64	3,160,000.00
Virtual Asset Service Providers	0	0	1	10,000.00
TOTAL	**24,711**	**61,657,180,192.65**	**24,381**	**47,299,508,817.21**

Table 7: Cash Transaction Reports: 2019/20 – 2023/24

	2019/20	2020/21	2021/22	2022/23	2023/24
CTRs (BWP)	15,8 million	24 million	25,5 million	61,7 million	47,3 million

Table 7 above shows a five-year trend on cash transaction reports received. There is an overall increase in the value of cash transactions from P15.8 billion in 2019/20 to P61.7 billion in 2022/23. However, there was a decline in CTRs from P61.7 billion in 2022/23 to P47.3 billion in 2023/24, indicating a potential shift or reduction in cash usage during the reporting period.

3.4 Cross Border Cash Declaration Reports

Section 41 of the FI Act requires the Botswana Unified Revenue Service to file Cross Border Cash Declaration Reports with the Agency. The Reports are used for monitoring the physical movement of cash in and out of Botswana, primarily for purposes of detecting and deterring criminals involved in moving illicit funds across borders. In this regard, travelers entering or leaving Botswana are required to declare any cash in their possessions equal to or exceeding P10, 000.00 or an equivalent in foreign currency. Table 8 shows Cross Border Cash Declarations received by the Agency during the year under review.

Table 8: Cross Border Cash Declarations: 2022/23 and 2023/24.

Port Of Entry	2022/23		2023/24	
	No. of Declarations	Amount (BWP)	No. of Declarations	Amount (BWP)
Maun International Airport	1004	61,316,865.52	1512	52,219,154.37
Mamuno Border Post	779	36,716,555.62	740	31,502,400.36
Kazungula Bridge	45	14,408,650.07	67	11,718,871.26
Sir Seretse Khama International Airport	175	11,132,584.39	396	28,059,132.40
Ramokgwebana Border Post	154	9,143,934.36	357	30,114,369.50
Martins Drift Border Post	102	7,428,538.99	78	6,396,486.27
Ngoma Border Post	38	2,964,597.07	27	1,356,096.85
Kasane International Airport	53	2,130,685.27	50	1,958,865.90
PG Matante International Airport	7	1,545,601.64	4	1,344,853.94
Ramatlabama Border Post	31	1,278,652.06	19	1,900,981.04
Tlokweng Border Post	60	1,645,838.43	49	3,100,752.28
Mohembo Border Post	26	961,402.35	26	976,455.08
Pioneer Gate Border Post	10	637,692.77	5	92,718.04
Matsiloje Border Post	19	354,431.78	9	276,662.87
Kasane Inland Office	0	0	11	545,602.63
Platjaan Border Post	2	68,634.12	5	392,615.61
Kazungula Road Border Post	45	14,408,650.07	26	2,791,998.91
Ramotswa Border Post	3	38,692.42	1	68,213.00
Sikwane Border Post	0	0	3	31,532,29
Orapa Airport	1	23,015.00	0	0
Maitengwe Border Post	7	86,347.26	0	0
VAT EFT Office	0	0	2	110,284.69
Large Taxpayer Office	0	0	2	51,391.69
GRAND TOTAL	**2561**	**151,882,719.12**	**3389**	**175,009,438.98**

Total cross border cash declarations made at different ports of entries amounted to P175 million, an increase of P23 million (15.2%) from the 152 million declared in the previous financial year. As was the case in the previous year, Maun International Airport accounted for the highest number and value of declarations. This may be because Maun serves as the first port of entry for many tourists destined for the Ngamiland and Okavango areas.

3.5 Electronic Funds Transfers

Section 42 (1) of the Act obliges financial institutions to file reports on electronic funds transfers equal to or in excess of P10, 000.00. The number and value of EFTs increased by 18 and 17 percent respectively between 2022/23 to 2023/24 as shown in Table 9 below.

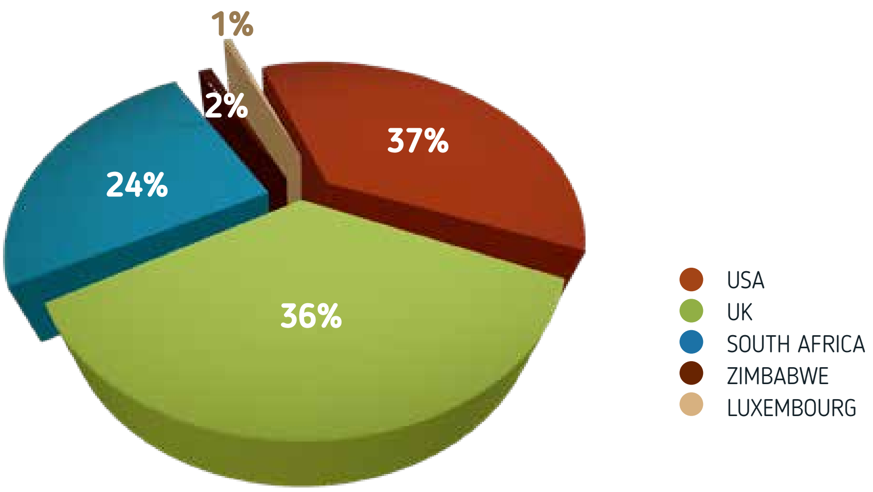
Table 9: Electronic Funds Transfers: 2022/23 and 2023/24

	2022/23	2023/24
Number of Reports	17992	21239
Amount (BWP)	637,687,373,761	746,302,876,598

3.6 International Funds Transfers

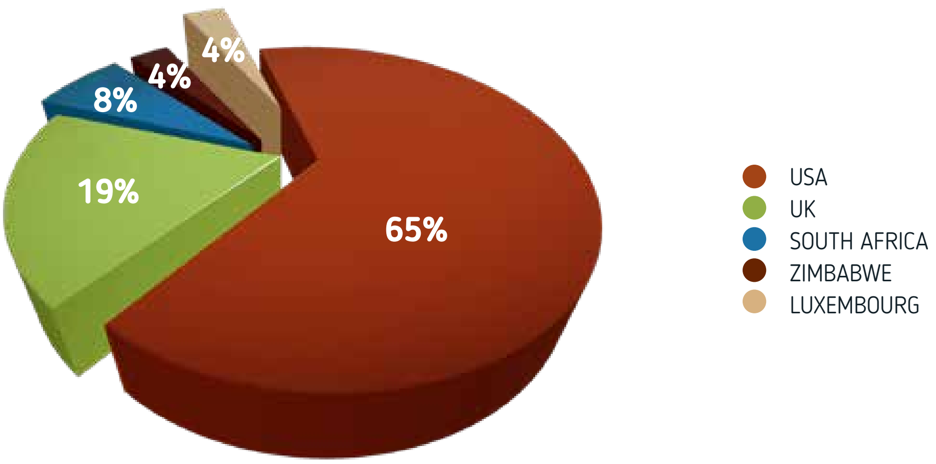
International Funds Transfers are reports of cross border wire transfers of an amount equal to or in excess of P10, 000.00. The Reports are meant to monitor international money movements and to detect and prevent financial crimes such as money laundering and terrorist financing.

Figure 3: Top 5 Source Countries for IFTs



During the period under review, the leading source countries for IFT were United States of America, with transactions amounting to P79.6 billion, followed by the United Kingdom with P58.1 billion. The USA and UK are the largest consumers of Botswana's main export being diamonds. These two economies are involved in various aspects of the diamond industry, including processing, trading, and retail.

Figure 4: Top 5 Destination Countries for IFTs



In terms of destination countries, during 2023/2024, South Africa emerged as the foremost recipient of IFTs from Botswana, followed by the United States of America and the United Kingdom, respectively. South Africa is Botswana's largest trading partner and a notable source of imports.

The Table below provides a summary of the value of threshold Reports received over five (5) years.

Table 10: Summary of Threshold Transaction Reports; 2019/20 to 2023/24

Report Type	2019/20	2020/21	2021/22	2022/23	2023/24
CTR	15,758,673,512.10	24,021,686,414.87	25,507,986,986.55	61,657,180,192.65	47,299,508,817.21
EFT	362,291,657,606.52	386,112,739,467.49	430,297,014,251.34	637,687,373,760.66	746,302,876,598.27
IFT	329,938,104,949.15	279,752,094,860.12	365,329,040,305.01	646,835,701,439.06	486,554,126,868.77
TOTAL	707,988,436,067.77	689,886,520,742.48	821,134,041,542.90	1,346,180,255,392.37	1,280,156,512,284.25

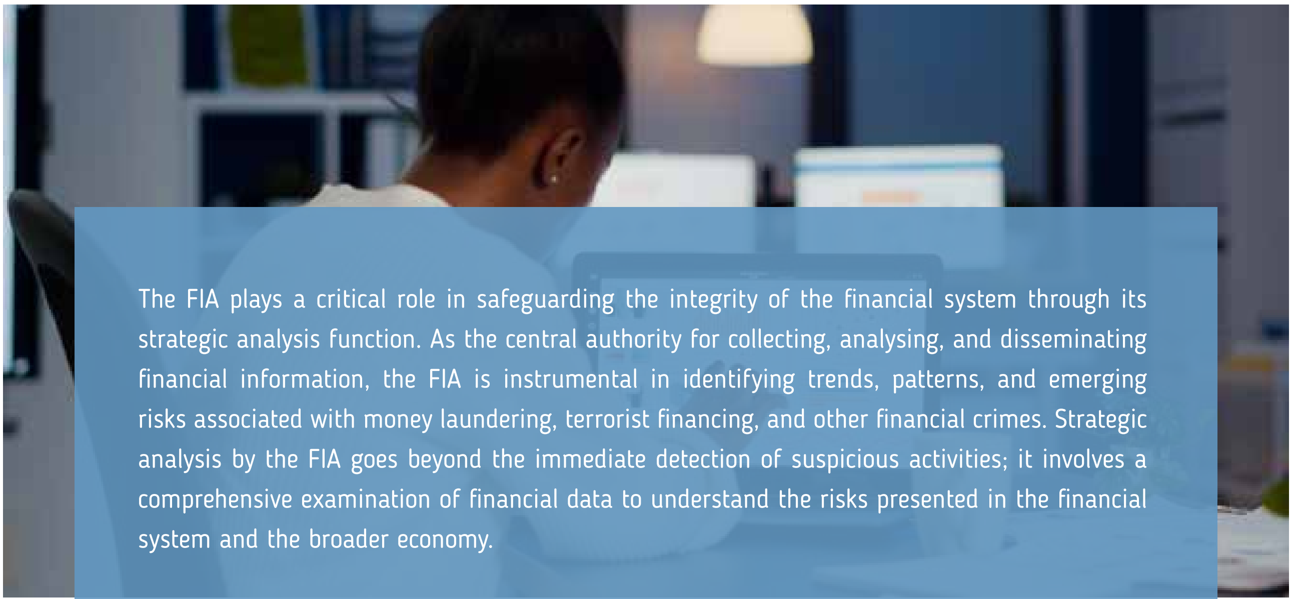
3.7 Voluntary Information Reports

Voluntary Information Reports (VIR) refer to reports filed by individuals or entities regarding activities that appear unusual, suspicious, or potentially linked to criminal behavior. During the period under review, the Agency received one (1) VIR compared to two (2) filed in the previous period.

04

ANALYSIS AND MONITORING

4.1 Research and Strategic Analysis



The FIA plays a critical role in safeguarding the integrity of the financial system through its strategic analysis function. As the central authority for collecting, analysing, and disseminating financial information, the FIA is instrumental in identifying trends, patterns, and emerging risks associated with money laundering, terrorist financing, and other financial crimes. Strategic analysis by the FIA goes beyond the immediate detection of suspicious activities; it involves a comprehensive examination of financial data to understand the risks presented in the financial system and the broader economy.

This approach enables the FIA to provide valuable insights to law enforcement agencies, policymakers, and international partners, enhancing their ability to combat financial crime effectively. By identifying vulnerabilities and anticipating future threats, the Agency's strategic analysis supports the development of informed strategies and policies that strengthen the overall resilience of the financial system.

During the year under review, the Agency conducted a study to understand the trends and patterns of financial transactions destined to some Asian countries. The study was triggered by an observed trend of large cash deposits into bank accounts held by companies owned by people of Asian origin. The deposits are then followed by immediate electronic transfer of funds to Asian countries. The following key red flags were identified by the study:

- Cash deposits which are not consistent with business profile.
- New accounts used to deposit large cash followed by immediate transfers outside the country.
- Bank accounts that do not reflect normal business transactions such as utility bills, rental or payment of salaries.
- Cash deposits characterised by new notes of high denominations inconsistent with the business profile.
- Cash deposits by locals into business accounts held by foreigners.
- Non registration for corporate income tax, value added tax and other relevant taxes.

4.2 Operational Analysis

4.2.1 Interruption of transactions

The Agency is empowered by Section 45 (1)(a)of the FIA Act, to temporarily interrupt transactions which are suspected to be linked to the commission of crime in order to allow for investigations to determine their legitimacy. During the period under review, the Agency interrupted twelve (12) transactions. The same number was recorded in the previous financial year.

4.2.2 Dissemination of financial intelligence

The FIA conducts analysis of suspicious transaction reports on risk-based approach to validate or dispel the reported suspicion, establish financial trail and package financial intelligence for dissemination and investigation by the relevant competent authorities. During the year, 273 STRs were analysed and concluded. Out of these, 79 disseminations were made compared to 132 in the previous year.

05

INTERNATIONAL RELATIONS

International cooperation and collaboration are crucial in the fight against ML/TF/PF since financial crime and other forms of organised crimes are transnational in nature. Cooperation and collaboration at all levels therefore plays a critical role in strengthening global combatting efforts. The Agency actively participates in the work of international, regional and domestic forums to advance, such as;

- Egmont Group of Financial Intelligence Units
- The Eastern And Southern Africa Anti-Money Laundering Group
- Southern Africa Development Community (SADC) Committee on AML
- International Cooperation Review Group

5.1 Egmont Group of Financial Intelligence Units

The Egmont Group of Financial Intelligence Units (Egmont) was established in 1995 to foster international cooperation among FIUs in the fight against money laundering and terrorist financing. The Group comprises over 160 member FIUs from around the world. The FIUs include those from countries across six continents, representing diversity in regional and legal systems. Member FIUs range from large, established units to newly formed ones, all committed to combating financial crimes through information exchange and cooperation.

The Egmont Group's primary mandate is to facilitate the exchange of financial intelligence among its member FIUs to combat money laundering, terrorist financing, proliferation financing and other serious financial crimes effectively. The Group operates on the principle of trust and confidentiality, allowing member FIUs to share sensitive information securely. The Agency was admitted to EGMONT Group in July 2021. During the year under review, the Agency attended two (2) Egmont Group meetings, held in July 2023 and February 2024. These meetings provided valuable insights on critical topics, which include the role of FIUs in asset recovery process, preventing UNSCR TF/PF sanctions evasion, and abuse of NPOs for TF purposes.

Further, there were discussions around leveraging technology to advance information exchange. The Agency continues to benefit from the use of Egmont Secure Platform for information sharing purposes. Botswana sent eight (8) requests and received five (5) requests through the Egmont Secure Platform. The key objectives of Egmont include:

- Promoting and enhancing international cooperation among FIUs to facilitate the timely and secure exchange of financial intelligence.
- Developing and promoting best practices, standards, and guidelines for FIU operations and the analysis and dissemination of financial intelligence.
- Providing training, technical assistance, and capacity-building support to member FIUs, particularly those in developing countries or emerging economies.
- Advocating for the establishment and strengthening of FIUs worldwide to ensure comprehensive coverage and effectiveness in combating financial crimes.
- Collaborating with other international organisations, such as the Financial Action Task Force (FATF), the United Nations Office on Drugs and Crime (UNODC), and regional bodies, to promote a coordinated global response to money laundering, terrorist financing, and related crimes.

5.2 The Eastern And Southern Africa Anti-Money Laundering Group (ESAAMLG)

ESAAMLG is a FATF-Styled Regional body established in 1999 to combat money laundering, terrorist and proliferation financing. ESAAMLG subscribes to the principles and recommendations of the FATF. Botswana is a founding member of ESAAMLG which, at the time of reporting, held a membership of 21 countries. The key objectives of ESAAMLG are:

- Assessing the effectiveness of member countries' AML/CFT/CFP systems through mutual evaluations, providing technical assistance and support to address identified deficiencies.
- Promoting the adoption and implementation of laws, regulations, and policies that strengthen AML/CFT/CFP frameworks within member countries.
- Facilitating information exchange and sharing of expertise among member countries to enhance their collective ability to detect, investigate, and prosecute money laundering and terrorist financing activities.
- Providing training and capacity-building initiatives to relevant stakeholders, including government agencies and private sector entities involved in AML/CFT/CFP efforts.

During the reporting period, Botswana assumed the Presidency of the ESAAMLG Council of Ministers and Chairmanship of the Task Force of Senior Officials from September 2022 to September 2023. One of the key priorities during this tenure was to prepare the region for the next cycle of mutual evaluation and to ensure that the ESAAMLG Secretariat had enough resources to undertake its mandate.

ESAAMLG launched a typology study titled Illicit Movement of Cash in the ESAAMLG Region in September 2023 which seeks to establish the link between illicit movement of cash and ML and TF activities in the region. The study is still on-going and Botswana, through a representative from BURS, is participating in the study. During the period under review, another representative from Botswana, participated in the mutual evaluation of Rwanda. Participation in mutual evaluations builds capacity through improving participants' AML/CFT/CPF knowledge and expertise. An in-country Assessors Training facilitated by the ESAAMLG Secretariat was held in Gaborone from the 2nd – 6th October 2023. Forty eight (48) participants from across the legal, intelligence, supervision and law enforcement space participated in the training bringing the total number of trained Assessors in Botswana to 75.

5.3 Southern Africa Development Community (SADC) Committee on Anti Money Laundering

The SADC Ministers of Finance and Investment at the meeting held in July 2023 in the Democratic Republic of Congo directed the operationalisation of the SADC Committee on Anti-Money Laundering in line with Annex 12 of the Protocol on Finance and Investment. The Committee was launched in February 2024. The key objectives include to:

- Facilitate the convergence of the AML/CFT/CFP policies, laws, and regulatory practices of member states within the framework of the FATF;
- Support effective and proportional action against ML/TF/PF in the SADC Region;
- Mitigate the effects of criminal activities and promote the integrity and stability of the financial markets in the region;
- Maintain the SADC region as an investment destination with stable, efficient and integrated financial systems.

5.4 Participation at International Cooperation Review Group

The International Cooperation Review Group (ICRG) is a subgroup of the Financial Action Task Force (FATF) tasked with identifying and reviewing jurisdictions that have strategic deficiencies in their anti-money laundering (AML), counter-terrorist financing (CFT) and counter financing of proliferation (CFP) frameworks. The ICRG engages these jurisdictions through a structured process, helping them develop and implement action plans to address gaps in their compliance with FATF standards. Countries under review may be placed on the "grey list," subjecting them to increased scrutiny and enhanced monitoring. The ICRG's efforts are crucial in ensuring global financial integrity and fostering international cooperation against financial crimes.

A representative from Botswana was admitted to participate in the Africa and Middle East ICRG. This presents an opportunity for learning and contributing towards developing other countries' AML/CFT/CFP systems.

06

DOMESTIC COOPERATION

FATF Recommendation 2 requires countries to implement a wide range of domestic cooperation mechanisms in order to strengthen the combating of financial crimes. Below is an account of collaboration and cooperation activities conducted during the period under review:

6.1 Botswana Institute of Banking and Finance

In its continued efforts to create awareness on AML/CFT/CFP matters, the Agency in collaboration with the Botswana Institute of Banking and Finance hosted the National AML/CFT/CFP Conference in Gaborone from the 21st - 22nd September 2023, under the theme "Effective Implementation of AML/CFT/CFP measures: A Responsibility for All". The primary objective of the conference was to provide a platform for stakeholders to discuss current and emerging ML/TF/PF risks and their role individually and collectively in addressing the risks. Emphasis was also on the importance of cooperation and collaboration of public and private sectors in the fight against financial crimes.

6.2 AML/CFT/CFP Supervisory Forum

The AML/CFT/CFP Supervisory Forum was established to ensure common understanding by supervisory authorities of obligations and responsibilities as set out in Act and to facilitate overall compliance with the Act. During the period under review, the Forum met twice to discuss areas such as implementation of risk based supervision in their respective sectors and explored mechanisms to improve implementation of targeted financial sanctions.

6.3 Establishment of the Institute for Combating Illicit Financial Flows

The Government of Botswana, represented by the Financial Intelligence Agency partnered with the University of Botswana to establish an Institute for Combatting Illicit Financial Flows (ICIFF). The Institute will serve as the center for AML/CFT/CFP training and research. This aligns with objective 1 of Botswana's AML/CFT/CFP Strategy approved by Cabinet in 2019 which seeks to strengthen capacity building and raise awareness on AML/CFT/CPF matters.

6.4 Establishment of the Intelligence, Law Enforcement and Prosecution Forum

Cooperation and exchange of information between the Agency and other authorities is an essential part of an effective AML/CFT/CFP regime. The FIA has established the Botswana Intelligence, Law Enforcement and Prosecution Forum. The aim of the Forum is to establish a robust interagency relationship to tackle existing and emerging issues relating to the investigation and prosecution of ML/TF/PF and other financial crimes. Additionally, the Forum will ensure a smooth value chain starting from intelligence, to investigation, asset recovery and prosecution of ML/TF/PF cases. This collaboration will go a long way in assisting the country to be effective in the FATF Immediate Outcomes 6, 7 and

07

HIGHLIGHTS OF THE YEAR

The year 2023 marked ten (10) years of operation for the Financial Intelligence Agency. A series of activities were held throughout the year to commemorate this milestone. In the same reporting period, Botswana through the Ministry of Finance and the Financial Intelligence Agency, held the Presidency and Chairmanship of ESAAMLG respectively. As a result, Botswana hosted the ESAAMLG Task Force of Senior Officials Meeting and Council of Ministers in Kasane. These and other highlights for the year under review are detailed here under.

7.1 Ground Breaking of the New FIA Office Building

On the 29^{th} June 2023, the Ministry of Infrastructure and Public Works held a ground breaking and contract signing ceremony for the construction of the FIA Office Building. It is anticipated that the project will be completed in February 2025 at a total cost of P24.5 million.

7.2 Hosting of ESAAMLG meetings

FIA facilitated the country's hosting of the ESAAMLG's 23^{rd} Council of Ministers and the 46^{th} Task Force of Senior Officials meetings from 1^{st} - 9^{th} September 2023 in Kasane. The meetings attracted about 800 delegates from twenty one (21) Member States, Co-operating and Supporting Nations and Organisations. The meeting culminated with the 6^{th} Public Private Sector Dialogue (PPSD) held under the theme Detecting and Preventing Illicit Financial Flows Associated with Illegal Wildlife Trade.

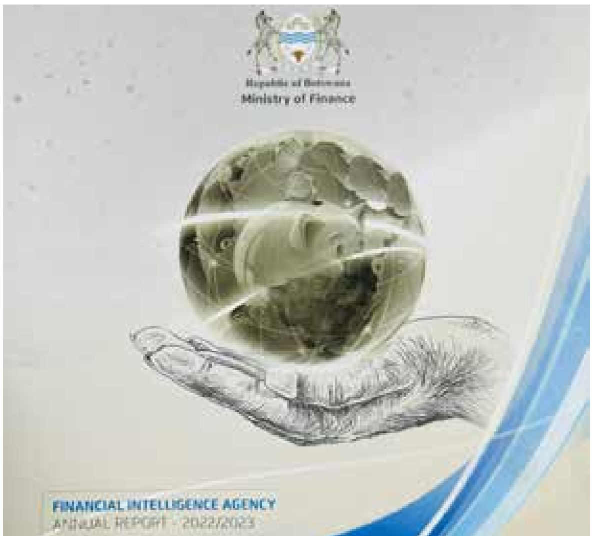
7.3 FIA Commemorates 10 Years in Operation

The Agency was established in June 2010 by the Financial Intelligence Act 2009. In February 2013, the Agency started its operations of receiving, requesting, analysing and disseminating financial intelligence to relevant competent authorities and comparable bodies. Therefore the year 2023 marked the Agency's 10 year anniversary. This presented an opportunity for the Agency, jointly with other key stakeholders to celebrate the country's achievements in the AML/CFT/CFP space. Additionally, the activities were used to raise public awareness and prepare the country for the next mutual evaluation expected in 2027. The key objectives of the commemorations are summarised below:

- Celebrate FIA's 10-year anniversary;
- Underline the Agency's commitment and role in fighting financial crimes and safeguarding the integrity of the country's financial system;
- Strengthen cooperation, collaboration, and engagement with the public and private sectors;
- Improve public understanding of their role and responsibility in the fight against financial crimes;
- Stimulate stakeholder interest in the AML/CFT/CFP issues.

The FIA extends gratitude to the partners and sponsors for the involvement and generous contributions made towards events to celebrate the Agency's 10 years in operation. Their support played a key role to the success of the events, and reflects their commitment to the AML/CFT/CFP agenda of this country.

Commemoration activities included:

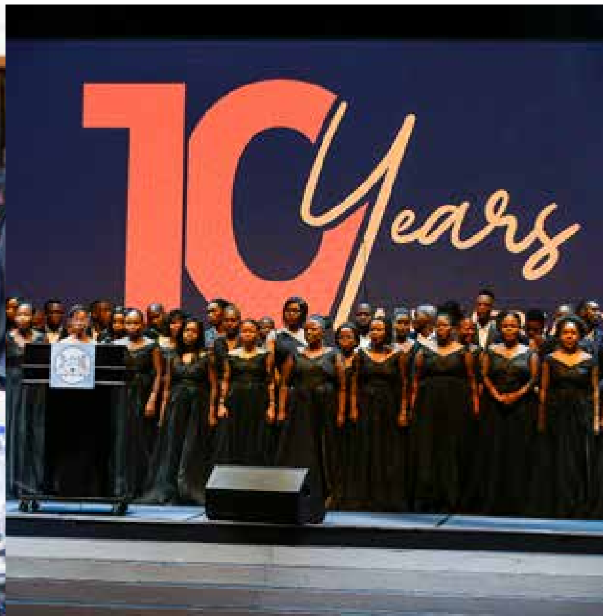


The Press Conference was held on the 16th October, 2023 to launch the commemoration activities and the Agency's maiden Annual Report for the financial year 2022/23. The press conference gave media houses the opportunity to engage and interact with the FIA.

The 10 KM Walk was held in Gaborone on the 18th November, 2023 under the theme, ***"Walking Together Towards a Financial Crime Free Economy"***. Different stakeholders such as law enforcement agencies, supervisory authorities, specified parties as well as other government agencies participated in the walk.

The Road Shows covered areas such as Francistown, Maun and Ghanzi from the 5th-8th December 2023 under the theme, ***"Public Private Partnership, an Essential Component of an Effective AML/CFT/CFP Regime"***. The theme emphasised the importance of all stakeholder's involvement in the fight against ML/TF/PF. This event was delivered in partnership with competent authorities and private sector players.

The AML/CFT/CFP Conference brought together local and regional experts in AML/CFT/CFP sphere was held on the 7th March 2024 under the theme ***"Mitigating Money Laundering, Terrorism Financing and Proliferation Financing Risks: Towards Building Resilient Institutions."***



The Gala Dinner was held to mark the conclusion of the 10-year commemoration activities. Former Director Generals of the Agency and long serving members of staff were recognised for their respective contributions towards building the Agency.

08

LOOKING AHEAD

8.1 Mock Evaluation Findings

Botswana underwent a mock evaluation to prepare for the third round of mutual evaluation scheduled for January 2027. With technical assistance from the United Nations Office on Drugs and Crime, the mock evaluation assessed the country's compliance with FATF recommendations, identified areas where implementation was ineffective, and recommended remedial measures. The findings from this mock evaluation aimed to assist Botswana in addressing deficiencies ahead of the actual mutual evaluation. This mock evaluation commenced in February 2024 and concluded in August 2024.

8.2 Review of the Financial Intelligence Act

The FI Act is being amended to provide for supervisory authorities of DNFBPs to take the necessary legal or regulatory measures to prevent criminals from holding controlling interest or being the beneficial owners of, or holding management function of the legal persons or arrangements. Other amendments are aimed at addressing implementation challenges caused by lack of clarity in some Sections of the Act.

8.3 Implementation of The Money Laundering and Terrorist Financing National Risk Assessment Action Plan

The FIA led the 2023 NRA which was adopted and approved by the NCCFI in December 2023. The NRA found that national money laundering threat was rated medium high consistent with the rating of the 2017 NRA. The following offences were found to pose the highest ML threat; drug trafficking, tax crimes, obtaining by false pretenses, theft of motor vehicles and unlawful possession of elephant tusk. Obtaining by false pretenses was rated medium high, it was found to be the most prevalent proceeds generating crime in the country.

Although most of the ML and major proceeds generating offences originated and were committed in Botswana, most of the proceeds were however laundered to foreign jurisdictions in the region. The overall national vulnerability to ML for the period under review was rated medium. The rating is an improvement from the medium high rating recorded during the 2017 NRA. The National Risk rating for the period under review was medium. An Action Plan was developed and will be implemented to address the identified deficiencies.

8.4 Preparations For The Third Round Of Mutual Evaluation

Botswana will undergo its third ME by ESAAMLG commencing January 2027. The assessment will focus more on effectiveness. Technical compliance will only be assessed for FATF Recommendations rated non-compliant or partially compliant and those rated compliant or largely compliant but the law relating to the Recommendation has been amended after the assessment. The FIA has developed a Roadmap that is designed to guide its preparation for the ME. The Roadmap is aligned to the national AML/CFT/CFP strategy and Action Plan. It is also aligned to the Country's National Strategic Roadmap, which was approved by the NCCFI.

09

KEY EVENTS IN PICTURES

Delegates at ESAAMLG Council of Ministers held at Cresta Mowana Lodge, Kasane, Botswana

Display of Flags for some of the ESAAMLG member States at the Meetings in Kasane, Botswana.

FIA Director General, Ms. Bopelokgale Soko posing for a group picture after completion of the Assessors Training in Gaborone.

Key speakers at the FIA-BIBF AML/CFT/CFP Conference

A traditional dance group performing at the 2023 ESAAMLG Dinner for Delegates.

Bokamoso CJSS student, Aumakwe Aron (3rd from right) with other panelists at a panel discussion during the AML/CFT/CFP Conference in February 2024

Ongoing construction of the new FIA Office Building

Former Minister of Finance, Hon. Peggy Serame handing over a token of appreciation to former FIA Director General Dr. Abraham Sethibe. Looking in is FIA Director General Ms. Bopelokgale Soko.

Some of the FIA staff members at the inuaguration of their Kgosi.

Support Staff at the 2023 ESAAMLG Council of Ministers' Meeting

FIA FINANCIAL INTELLIGENCE AGENCY