FINANCIAL INTELLIGENCE AGENCY

2025 ANNUAL REPORT

Financial Intelligence Agency

Safeguarding the Integrity of Botswana's Financial System

Introducing the New Logo

1

The Financial Intelligence Agency (FIA) logo was developed through a thoughtful symbolic design process that reflects the Agency's mandate and values. The main features of the logo are the fingerprint and the magnifying glass.

2

The fingerprint serves as a universal biometric identifier, symbolising Botswana's unique place within the international financial system and reflecting FIA's commitment to global standards, accuracy and precision in pursuit of its mandate.

3

The magnifying glass, a tool for close inspection signifies FIA's inquisitive approach in analysing information and its attention to details, resulting in detailed insights into trends and patterns in financial crimes.

4

Combined together, the two symbols signify the Agency's dedication to detecting and deterring financial crimes. The logo captures FIA's purpose, vision, and values, blending precision, vigilance, and a steadfast commitment to uncovering hidden illicit financial activities.

5

The colour palette:

- **Brown:** conveying neutrality and security,
- **Mustard:** representing creativity and diversity,
- **Black:** expressing formality and boldness.

DISCLAIMER

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ACRONYMS AND ABBREVIATIONS

AML	Anti Money Laundering
BAOA	Botswana Accountancy Oversight Authority
BDC	Botswana Development Corporation
BCR	Border Cash Report
BICA	Botswana Institute of Chartered Accountants
BPPP	Botswana Public Private Partnership
BPS	Botswana Police Service
BURS	Botswana Unified Revenue Service
CDD	Customer Due Diligence
CEDA	Citizen Entrepreneurial Development Agency
CFT	Counter-Financing of Terrorism
CIPA	Companies and Intellectual Property Authority
CPC	Corruption Prevention Committee
CPF	Counter Proliferation Financing
CTRs	Cash Transaction Reports
DCEC	Directorate on Corruption and Economic Crimes
DFIs	Development Financial Institutions
DIS	Directorate of Intelligence and Security
DoM	Department of Mines
ECOFEL	Egmont Centre of FIU Excellence and Leadership
EFT	Electronic Funds Transfer
EPS	Electronic Payment Services
ESAAMLG	Eastern and Southern Africa Anti- Money Laundering Group
ESW	Egmont Secure Web
FAQ	Frequently Asked Questions
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency (also referred to as the "Agency")
FIU	Financial Intelligence Unit
GA	Gambling Authority
GoAML	Government Office on Anti Money Laundering
ICIFF	Institute for Combatting Illicit Financial Flows
ICRG	International Co-operation Review Group
ICT	Information Communication Technology
IFTs	International Fund Transfers
ILEPF	Intelligence, Law Enforcement, and Prosecution Forum
IMF	International Monetary Fund
IO	Immediate Outcome
KYC	Know Your Customer
LSB	Law Society of Botswana
MCWBE	Ministry of Child Welfare & Basic Education
ME	Mutual Evaluation
MER	Mutual Evaluation Report
ML	Money Laundering
MVTS	Mobile Value Transfer Services
MoU	Memorandum of Understanding
NBC	Nuclear Biological and Chemical weapons
NBFIRA	Non-Bank Financial Institutions Regulatory Authority
NBFIs	Non-Bank Financial Institutions
NCCFI	National Coordinating Committee on Financial Intelligence
NIST	National Institute of Standards and Technology
NPOs	Non Profit Organisations
PF	Proliferation Financing
RoS	Registrar of Societies
SACCOS	Savings and Credit Cooperative Society
SADC	Southern African Development Community
SAR	Suspicious Activity Report
STRs	Suspicious Transaction Reports
TF	Terrorism Financing
UB	University of Botswana
UK	United Kingdom
UNODC	United Nations Office on Drugs and Crime
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolutions
USA	United States of America
VASPs	Virtual Assets Service Providers
VAT	Value Added Tax

Identify “teachable moments” in the everyday decisions and activities that can help children develop financial awareness and a sense of responsibility.

Financial Intelligence Agency

Safeguarding the Integrity of Botswana’s Financial System

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FINANCIAL INTELLIGENCE AGENCY

01 December 2025

Honourable Minister of Finance
Block 25, State Drive
Khama Crescent
Gaborone

Dear Minister Ndaba N. Gaolathe,

SUBMISSION OF THE 2024/2025 ANNUAL REPORT IN ACCORDANCE WITH SECTION 62(1) OF THE FI ACT

I have the honour to submit the third Annual Report on the operations of the Financial Intelligence Agency for the year 2024/2025.

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

Yours Sincerely,

Bopelokgale Soko
DIRECTOR GENERAL

Director General's Remarks

I am pleased to present the Financial Intelligence Agency's 2025 Annual Report, the third since the inaugural Report published in 2023. The Report provides a summary of the Agency's operations during the past year. This Report reflects not only the Agency's operational achievements, but also, to a certain extent, the collective progress of the implementation of Botswana's Anti-Money Laundering, Countering the Financing of Terrorism, and Countering the Financing of Proliferation (AML/CFT/CPF) Framework. The Annual Report is published in terms of Section 62 of the FI Act.

I would like to acknowledge the outstanding work, dedication and professionalism demonstrated by the FIA team throughout the past year. The achievements presented in this Annual Report, are a reflection of commitment to excellence and resilience in navigating challenging terrains to achieve the results presented in this report and more. I want to extend my heartfelt gratitude to every team member. The Agency is truly fortunate to have such a talented and passionate team. Thank you!

FIA believes that its sustainable growth is highly dependent on empowered people, who are the greatest assets of the Agency. In recognition of that important fact, during the year under review, the Agency took a deliberate position to build capacity in key areas relevant to its mandate. In this regard, 34 officers were trained in seven (7) targeted programs such as strategic approaches to Immediate Outcome 6, operational analysis, beneficial ownership and international cooperation and information sharing. The main aim was not only to enhance organisational performance, but also to enrich individual competencies, supporting their career development. In addition, the Agency introduced staff colloquiums, where employees share knowledge and deliberate on complex technical issues. These initiatives are meant to foster workplace culture that encourages every team member to thrive and reach their full potential. To this end, seven (7) colloquiums were held during the year where topics such as ML/TF/PF national risk assessments, cooperation and asset tracing in combating illicit financial flows, data protection and cyber security were discussed.

FIA remains steadfast in its efforts to safeguard Botswana's financial system. It plays a critical role in supporting law enforcement authorities to bring law and order in the country. In pursuit of its mandate, FIA disseminated 102 financial intelligence reports to law enforcement and supervisory authorities for further investigations and action. The Reports assisted in a number of ways including supporting investigations in more than 90 cases, asset restraints and forfeiture of P1.2 million and assessment of tax amounting to P62 million.

Achievement of FIA mandate relies largely on collaboration with key stakeholders. During the review period, FIA continued to foster strategic partnerships that enhance coordination and operational effectiveness. Two key initiatives launched during the year were the Botswana Public-Private Partnership (BPPP) and the Intelligence, Law Enforcement and Prosecution Forum (ILEPF). The BPPP, launched on 8 August 2024, is a direct response to the 2017 Mutual Evaluation findings, which highlighted the need for stronger domestic cooperation. This platform has already convened three times, facilitating critical dialogue and intelligence sharing among stakeholders to address Money Laundering, Terrorist Financing, and Proliferation Financing (ML/TF/PF) risks. Similarly, the ILEP, is designed to strengthen the value chain from intelligence gathering to prosecution and asset recovery, thus enhancing effectiveness of the AML/CFT/CPF regime. The Forum has prioritised three key areas: enhancing understanding of national risks to inform targeted mitigation, building capacity through specialised joint training, and improving the quality of intelligence, investigations, and prosecutions.

Looking ahead, we have set ambitious goals that seek to build resilience and effectiveness in the Agency's performance. The focus will be on the implementation of the Financial Intelligence Agency's maiden three years Strategic Plan for the years 2026-2028, developed during the year under review. The Strategic plan will serve as a blueprint for the Agency's growth, innovation, and impact, aligning our internal priorities with national and global expectations. The strategic plan was developed with the technical and financial support of Debswana Mining Company. FIA profoundly thanks Debswana Mining Company CEO, Mr. Andrew M. Motsomi, and the entire Debswana team for this memorable contribution to the growth and development of the Agency embedded within the Strategic Plan, is the Strategic Roadmap designed to prepare the Agency for the 2027 Mutual Evaluation. This roadmap outlines a strategic path to address identified gaps, strengthen institutional frameworks, and ensure full compliance with internationally/CFT/CPF standards.

At FIA, we recognise the contribution of our stakeholders, from both private sector and public institutions. We thank all of them for their continued commitment and collaboration, which have been central to our achievements in the past year. We cannot forget the impactful contribution of our international stakeholders. In particular, we thank the ESAAMLG and the Egmont Group (ECOFEL) for their unwavering support, particularly in capacity building. Special thanks to FIU-The Netherlands, for the opportunity to host our officer on a two-week secondment. Valuable insights into data-driven capabilities, ICT infrastructure and investigative techniques were gained from this exercise.

In closing, we are honoured to welcome Honourable Minister Ndaba Nkosinathi Gaolathe to his new role as the Minister of Finance and Vice President of the Republic of Botswana. His appointment comes at a critical time for the country as it prepares for the 2027 Mutual Evaluation. We are confident that, with his experience and commitment to issues of financial sector development, integrity and governance, we will take the country to greater heights in implementing the AML/CFT/CPF Framework. Similarly, we extend our warm welcome to the new Permanent Secretary in the Ministry of Finance, Dr. Tshokologo Alex Kganetsano. We thank him for his support and strategic direction since assuming his role at the Ministry of Finance.

Lastly, we extend our sincere gratitude to the previous Minister of Finance Honourable Peggy O. Serame and the former Permanent Secretary Mr Olesitse H. Masimega.

Bopelokgale Soko

850
STRs received

90%
STRs filed by Banking Sector

12
Requests for information to other FIUs

P481.3 Million
Value of suspicious transactions reported

P705,497
Value of assets forfeited as a result of disseminated financial Intelligence

P517,372
Value of assets restrained as a result of disseminated financial

102
Financial intelligence reports disseminated

P62 Million
Tax collected as a result of financial intelligence disseminated

12
Stakeholders training and awareness sessions

277
Participants in stakeholders training and awareness programs

Top Predicate Offences

Illegal deposit taking
Fraud
Tax Crimes
Corruption
Drug Offences

1326
Reporting entities registered on GoAML

P2,3 Million
Value of frozen funds from suspected illicit activities

3
Financial intelligence reports disseminated to other FIUs

2
MoUs signed 2024/25

01

WHO WE ARE?

1.1 PURPOSE STATEMENT

Safeguarding the integrity of Botswana's financial system.

Pursuant to FIA's statutory mandate of detecting and deterring Money Laundering/Terrorism Financing/Proliferation Financing (ML/TF/PF), FIA exists to safeguard the integrity of Botswana's financial system. This is achieved mainly by monitoring financial transactions, analysing information and developing financial Intelligence to support the investigation and prosecution of ML/TF/PF and other financial crimes.

1.3 OUR VISION

A secure financial system free from financial crimes.

1.2 OUR VALUES

Excellence

We pursue excellence in every aspect of our work, continuously improving our systems, skills, and services to deliver our mandate with utmost excellence.

Confidentiality

We safeguard sensitive financial information with the utmost discretion, ensuring that information is protected from unauthorised access and misuse in accordance with the Financial Intelligence Act and international standards.

Integrity

Guided by the highest ethical standards, we promote honesty, fairness, and consistency in all our operations. Our integrity is the foundation of our credibility and effectiveness in combating financial crimes.

Accountability

We uphold a culture of responsibility, taking full ownership of our actions and decisions. Through transparency and ethical conduct, we reinforce public trust and demonstrate our commitment towards contributing to the integrity of Botswana's financial system.

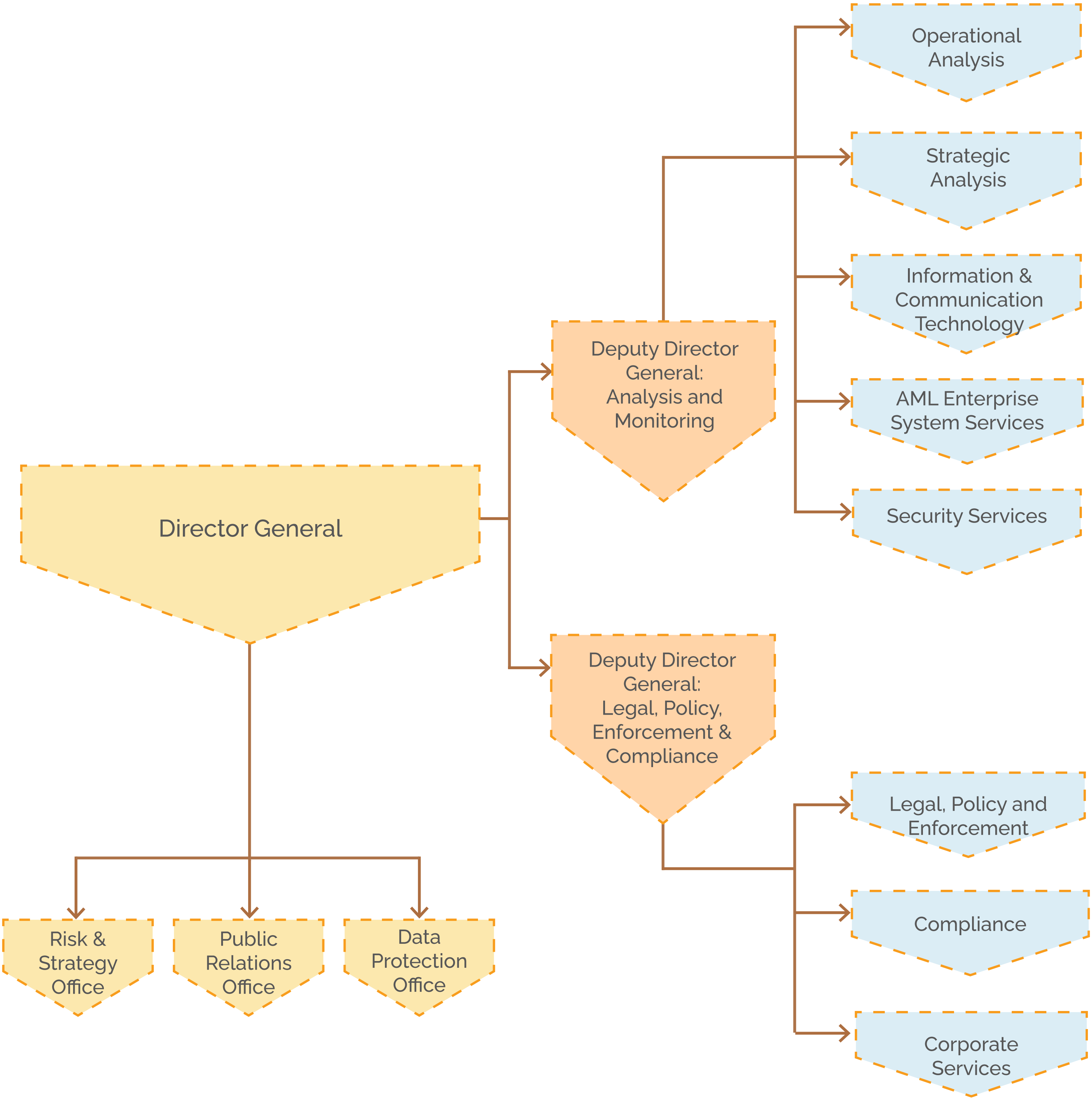
Timeliness

We prioritise the prompt and efficient delivery of financial intelligence, enabling swift and informed action against illicit financial activities.

1.4 OUR LEGAL MANDATE

The Financial Intelligence Agency is a central entity responsible for analysing and disseminating financial intelligence related to suspected money laundering, terrorist financing, and associated predicate offences. The FIA is further empowered to supervise and monitor compliance of designated reporting entities with AML/CFT/CPF obligations, ensuring adherence to applicable laws, regulations, and guidelines.

1.5 OUR ORGANISATIONAL CHART



1.6 THE FIA TEAM AT A GLANCE

Team Members
73

Female | Male
50 | 23

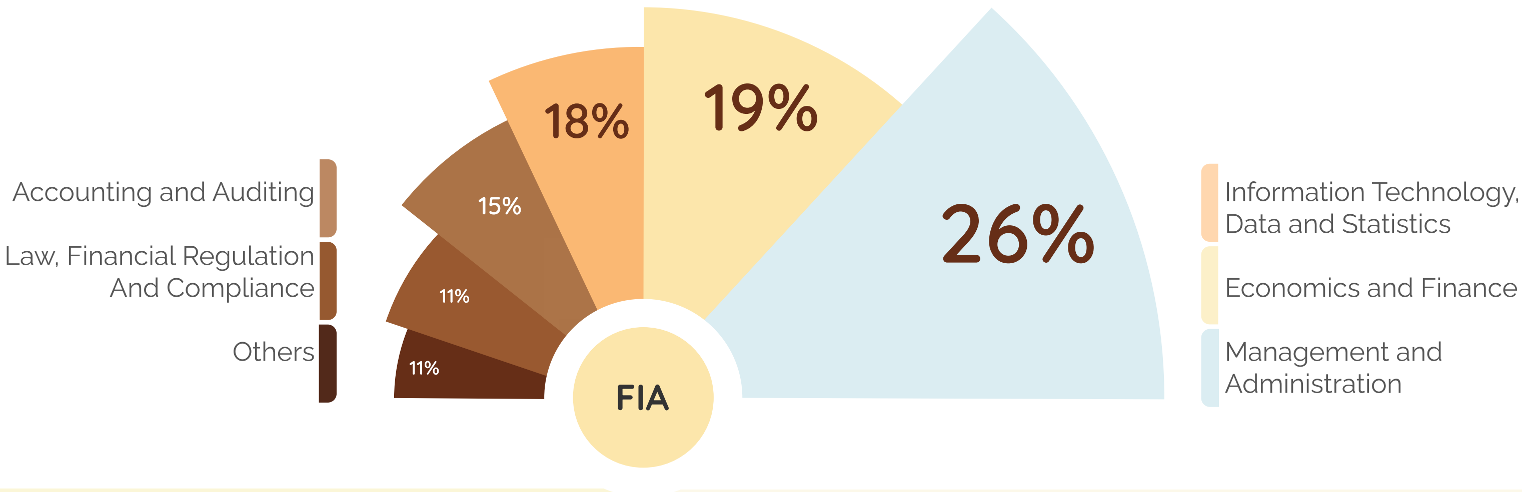
Average Age
42

Seconded In | Out
4 | 6

Temporary Officers
3

Intern Officers
9

Field of Study at FIA



FIA Staff training
12

Staff Retention
100%

Years of experience

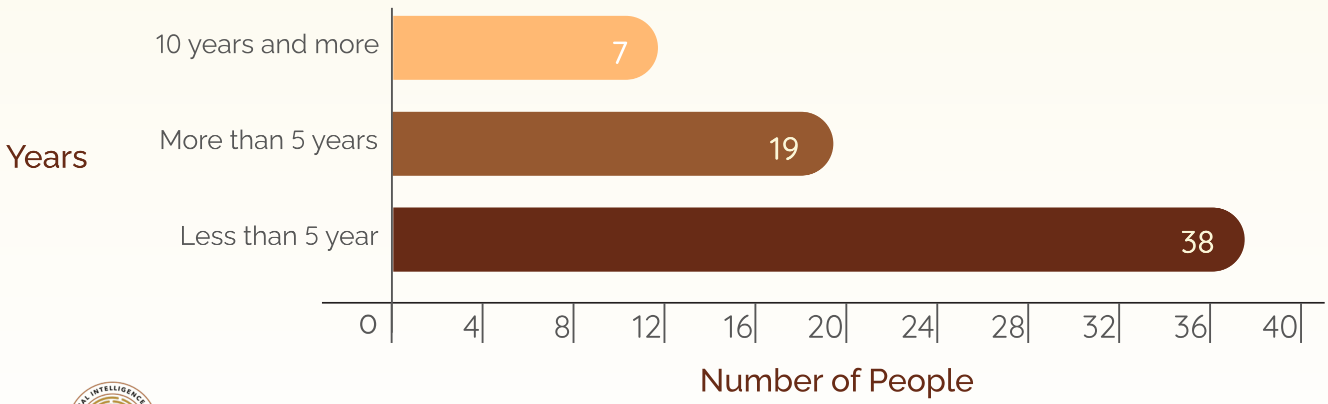


Table 1: FIA's Staff Establishment as at 31 March 2025

EMPLOYMENT TERMS	TOTAL ESTABLISHMENT			
	2025			
	Male	Female	Vacancies	Total
Contract term officers	1	5	-	**6**
Permanent and Pensionable officers	16	35	-	**51**
Vacancies	-	-	11	**11**
Total	**17**	**40**	**11**	68

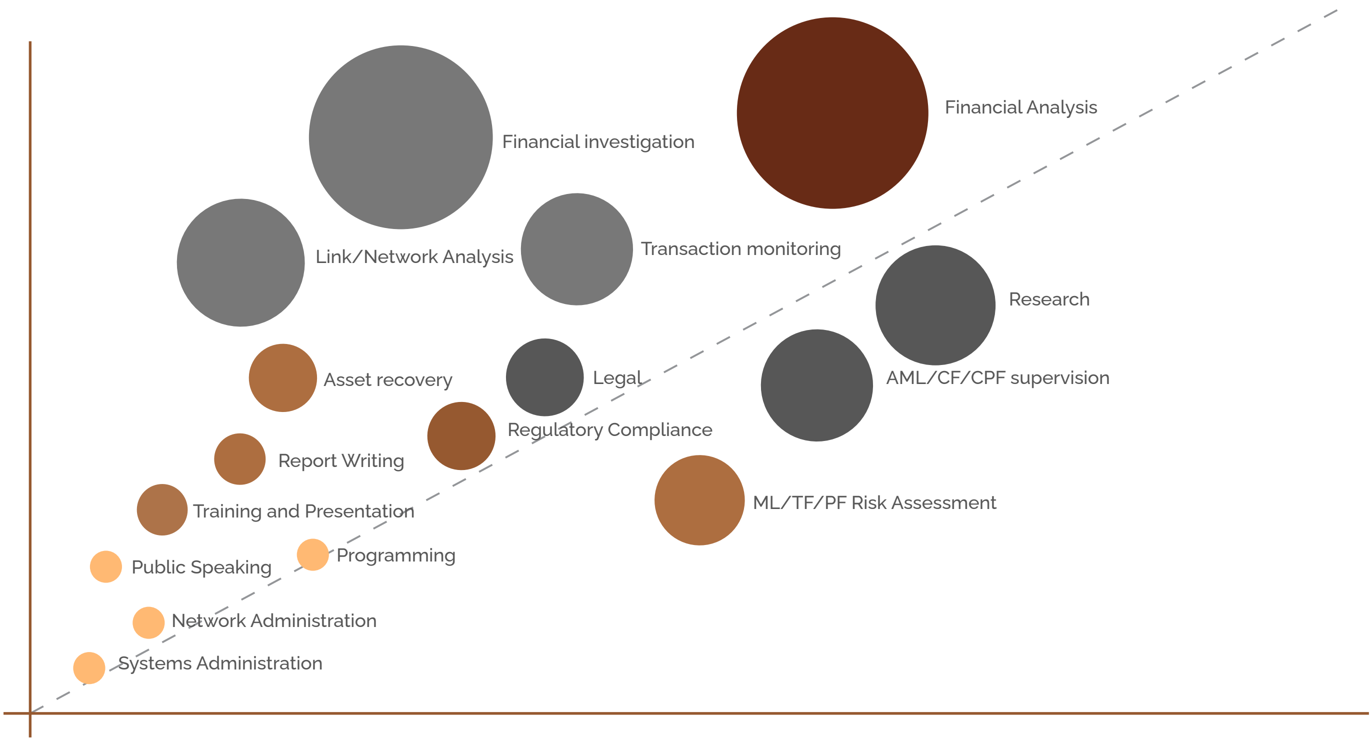
As at 31 March 2025, the FIA had a staff establishment of 68 out of which 11 positions were vacant. As shown at Table 1 above, in addition to the 57 in-post team members, the Agency had four (4) seconded officers, three (3) temporary staff and nine (9) intern officers, making a total work force of 73 employed during the year under review.

The Agency had seconded a total of six (6) officers to other institutions during the period under review. One (1) officer is seconded to the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Secretariat in Tanzania, one (1) officer to the Counter-Terrorism and Fusion Division and four (4) officers to the AML National Coordination Office in the Ministry of Finance

FIA had an average age of 42 years, indicating a dynamic, mature and experienced workforce. With a retention rate of 100 per cent over the years, the Agency has been able to retain the skills and expertise it built. While that can be celebrated as an achievement, it calls for the Agency to embark on some age diversity management strategies in order to avoid a 'brain drain" situation where a large cohort of employees retire at almost the same time. To this end, Pillar three of the FIA strategic Plan focuses on building a workforce fit for the future FIA.

As shown at Chart 1 FIA had a diverse set of skills required to undertake its mandate. These includes financial analysis and investigations, AML/CFT/CPF supervision, research and systems administration. In recognition of the continuously changing landscape in financial crimes, FIA continues to train and develop team members in relevant key areas. During the year under review, a total of 34 team members participated in seven (7) in person trainings. In addition, and

Chart 1 : Financial intelligence Agency's 's Officers Skills Set



due to financial constraints, FIA encourages its team members to undertake free online courses offered by relevant institutions such as The ECOFEL and the IMF. In this regards, 12 officers attended the following online courses:

- International Cooperation & Information Sharing
- Strategic Approach to IO6
- Counter Terrorist Financing
- Professional Money Laundering

1.7 FINANCIAL REPORTING

FIA was allocated a budget of P106 million comprising of P46 million re-current and P60 million development budget during the year under review.

As shown at Table 2, the total recurrent and development budgets increased from P25.6 million in 2022/23 to P90.26 million in 2023/24, rising further to P106.13 million in 2024/25. The growth in budget is attributable to the implementation of major strategic projects such as the construction of FIA office building and the digital transformation initiative, among others.

The significant growth in budget allocations during the year under review is primarily attributable to the implementation of major strategic projects, notably the FIA Building Construction Project and the Digital Transformation initiative.

Table 2: Budget Allocations : 2020 - 2025

Item	Recurrent Budget	Development Budget	Total Budget
2024/25	45,751,770	60,379,411	106,131,181
2023/24	41,751,770	48,510,651	90,262,421
2022/23	25,594,043	-	25,594,043
2021/22	27,900,090	8,554,057	36,454,147
2020/21	23,562,120	4,659,344	28,221,464

02

OUR IMPACT

2. OUR IMPACT

FIA's statutory mandate is prescribed at Section 6 of the FI Act. In terms of the Act, FIA serves as the central national agency for combating financial crimes, primarily money laundering, terrorist financing and proliferation financing. It supports law enforcement authorities in restoring law and order by identifying suspected financial crimes and following the trail of illicit funds for investigations. In addition, FIA supervises designated institutions for AML/CFT/CPF purposes, creates public awareness on AML/CFT/CPF issues, and collaborates with other stakeholders, (including international stakeholders) in the fight against ML/TF/PF. During the year under review, FIA achieved the following key milestones:

2.1 DISSEMINATION OF FINANCIAL INTELLIGENCE

2.1.1 Contribution to the fight against financial and economic crimes

Dissemination of financial intelligence is FIA's main contribution to the fight against ML/TF/PF. A total of 102 financial intelligence reports were disseminated to various competent authorities during the year under review. The suspected predicate offences identified in these reports included fraud, tax crimes, corruption, drug trafficking and obtaining by false pretences.

102 financial intelligence reports disseminated

69% of the disseminated financial intelligence supported ongoing investigations

About 69 per cent of the disseminated financial intelligence reports supported ongoing investigations by law enforcement authorities. FIA's main role in this process was to identify the movement of funds and the ultimate beneficiaries of criminal proceeds. During the period of review, FIA supported 18 active investigations involving economic crime offences. As at 31 March 2025, one (1) case was before the courts of law.

FIA supported the restraining and forfeiture of assets worth **P1.2 million**

Additionally, 43 financial intelligence reports were shared, eight (8) spontaneously and 35 in response to requests for financial intelligence. The intelligence supported investigations relating to fraud, trafficking in narcotics, obtaining by false pretences and other financial crimes. As at 31 March 2025, 16 cases were still under investigation and one (1) was before the courts of law.

2.1.2 Asset Recovery

The FATF measures the effectiveness of countries' AML/CFT/CPF regime by its ability to identify and deprive criminals of proceeds of crimes, thus preventing criminals from benefiting from criminal proceeds. A successful asset recovery regime depends on collective efforts of various competent authorities including FIA. The Agency plays a crucial role by conducting analysis to identity assets and proceeds of crimes to the courts of law.

During the period under review, FIA contributed to the successful restraint and forfeiture of assets valued over P1.2 million.

2.1.3 Contribution in tax collection

As guided by the FATF, tax crimes are predicate offences for money laundering. This is because tax crimes are known to generate significant amount of illicit

Income Tax Assessed	VAT Assessed
P48.6 Million	P13.3 Million

proceeds, depriving public finance of billions of funds every year, which could be used for the benefit of the society. As a result, combating tax crimes is of prime interest, not only to the Botswana Unified Revenue Service (BURS), but also to institutions such as FIA and law enforcement authorities. During the year under review, FIA disseminated a total of five (5) financial intelligence reports relating to possible tax evasion.

Over the same period BURS assessed 13 cases, including those from prior years, resulting in tax assessments of approximately P62 million comprising of P 49 million income tax and P 13 million value added tax. Two (2) of the cases which emanated from STRs have been referred to prosecution.

2.1.4 Sharing of Information with Foreign Counterparts

Whenever FIA observes a financial trail that connects to another jurisdiction, a request for information is made to the country's FIU. During the year, the FIA made 12 requests for information to other FIUs to support its analysis process. Over the same period, FIA received and responded to three (3) information requests from other FIUs.

2.2 IDENTIFICATION OF TRENDS AND PATTERNS OF FINANCIAL CRIMES

One of the key roles of the FIA is the identification of trends and patterns of financial crimes to provide insight into current and emerging ML/TF/PF risks to relevant public and private stakeholders. Trend Reports inform development of effective AML/CFT/CPF strategies and policies. In addition, keeping the public informed is arming them to protect themselves from criminals and their activities.

During the review period, FIA produced two (2) Trends Reports covering the period January to June 2023 and July to December 2023. The first Trend Report, released in June 2024, highlighted the most prevalent criminal activities observed. The report indicated fraud, scams, tax crimes and illicit drug trade as the most prevalent predicate offences for the report period. The second Trend Report, released in March 2025, identified illegal deposit taking as the most prevalent crime (refer to Box 1) followed by fraud and tax crimes.

The Agency issued a Public Advisory Note in November 2024 warning the public about online investment scams. The scammers lure victims through various social media platforms and phone calls to be part of 'online investment' opportunities with promises of high returns only to experience difficulties withdrawing the initial capital and earnings from the purported 'investments'.

Box 1: Illegal Deposit Taking

Illegal deposit-taking refers to the unauthorised soliciting of deposits from the public without a license, contravening Section 3 of the Banking Act, 1995. The pooled funds were mostly used for illegal trading in foreign exchange, crypto currency, online gambling while some funds were fraudulently diverted for personal use by the criminals. Engaging in illegal deposit-taking undermines the integrity of the financial system, exposes consumers to unregulated risks and increases vulnerabilities to money laundering and other financial crimes.

2.3 Training and awareness

The FIA provides training to enhance stakeholder knowledge on effective implementation of AML/CFT/CPF measures. The following training sessions were conducted:

Table 3: Stakeholders Training and Workshops

Date	Institution	Focus of Training	No. of Officers Trained
04/03/25	Ministry of Minerals and Energy	Anti-corruption and anti-money laundering	58
13/06/2024	Botswana Development Corporation	AML/CFT/CPF reporting obligations	5
17/07/2024	Companies and Intellectual Property Authority	Implementation of administrative sanctions	5
29/08/2024	Car Dealerships	ML/TF/PF Risk assessment	35
15/08/2024 15/10/2024 19/11/2024	Ministry of Education	Establishment of partnership and explore mechanisms of capacitating learners on AML/CFT/CPF matters	10 8 8
13/11/2024 20/11/2024 04/12/2024	Savings and Credit Cooperative Society	goAML registration and reporting	57
12/12/2024	Various retail outlets	goAML registration and reporting	16
19/12/2024	Car Dealerships	Implementation of the UNSCR	30
28/02/2025	Car Dealerships	FI Amendment Act	45

03

WHAT WE DO

3. WHAT WE DO

In line with Section 6 of the FI Act, the FIA produces financial intelligence that supports the investigation and prosecution of ML/TF/PF and related financial crime cases. Additionally, Section 2 of the FI Act establishes FIA as an AML/CFT/CPF supervisory authority for the purpose of ensuring compliance to AML/CFT/CPF laws. Within this broader mandate, the FIA performs the following key functions:

Receive statutory reports submitted by specified parties.

Analyses Information to produce financial intelligence

Monitor financial transactions to identify ML/TF/PF patterns, threats and vulnerabilities.

Intercept Funds linked to financial offences.

Disseminate financial intelligence products to Law Enforcement Authorities and other relevant institutions.

Supervise Entities for AML/CFT/CPF purposes

Exchange of Information related to ML/TF/PF activities with relevant institutions locally, regionally and internationally.

Cooperate with local and international authorities in combating ML/TF/PF.

Train stakeholders to enhance their knowledge on effective implementation of the AML/CFT/CPF Framework.

Conduct Public Awareness to promote understanding of AML/CFT/CPF framework.

Review of the AML/CFT/CPF regulatory framework to ensure its relevance and consistency to international standards.

Box 2: Types of Financial Intelligence Units

The establishment of a Financial Intelligence Unit is a requirement of the FATF Recommendation 29. There are four (4) different types of Financial Intelligence Units (FIUs): Administrative, Law Enforcement, Judicial, and Hybrid. The Administrative FIUs have powers limited to the collection, analysis, and dissemination of financial intelligence. The Law Enforcement FIUs possess full investigative powers, including the authority to investigate and seize assets. The Judicial FIUs have legislative and prosecutorial powers, allowing them to initiate legal proceedings. The Hybrid FIUs combine features of two or more FIU types.

The Financial Intelligence Agency (FIA) operates as an Administrative FIU. Its mandate is confined to producing and disseminating financial intelligence. It does not have the authority to investigate nor prosecute.

04 WHY WE DO IT

OUR PURPOSE

To Safeguard the Integrity of Botswana's Financial System

FIA is an Agency of Government responsible for gathering of information, analysing it and disseminating financial intelligence and other products to relevant authorities such as law enforcement authorities, supervisory authorities, policy-making institutions, the public and other FIUs. The Agency's statutory mandate is prescribed at Section 6 of the FI Act.

In terms of the Act, FIA plays a central role in combating ML/TF/PF by analysing information on suspicious transactions and activities and sharing information with both local and international stakeholders. FIA also produces reports identifying new trends, patterns and vulnerabilities to inform policy and guide national efforts against financial crimes, helping to set appropriate priorities for an effective AML/CFT/CPF regime, and to enhance the overall national security. Furthermore, FIA contributes to the global fight against ML/TF/PF, mainly by exchanging information and sharing financial intelligence with its global partners, thereby contributing to international efforts against transnational crimes. Thus said, and pursuant to its statutory mandate, FIA serves to safeguard the integrity of the financial system both in Botswana and globally by:

- Protecting the stability and reputation of national financial systems, making them less attractive to criminal activities. This is achieved by enforcing reporting obligations on specified parties and accountable institutions, monitoring compliance with AML/CFT/CPF laws and educating reporting entities on their obligations;
- Enhancing the country's reputation, credibility and investor confidence by enforcing compliance to the AML/CFT/CPF laws;
- Enabling seamless intelligence flow across borders, thus contributing to and strengthening international efforts against transnational financial crimes;
- Providing policy and expert advice relating to AML/CFT/CPF;
- Contributing towards Botswana's economic growth by guarding against money laundering and predicate offences such as fraud, tax evasion and corruption among others, which have the effect of reducing government revenue, distorting markets, and discouraging investments, making it a threat to sustainable development. FIA provides a crucial line of defense by identifying and combating criminal activities, fostering an accountable financial environment essential for attracting legitimate foreign investments and sustainable economic growth and development.

05

HOW WE DO IT

5.1 REGISTRATION FOR SUBMISSION OF REPORTS

One of the core functions of the FIA is to receive information on certain financial transactions from reporting entities. The information is mostly received through the goAML system (refer to Box 3). Even though reporting entities are obligated to submit information, registration in the goAML system is not mandatory. However, reporting entities are encouraged to register and submit reports through the system to enable efficient processing and management of information. Table 4 below provides information on entities registered on the goAML system by sector, as at March 31 2025.

Table 4: Statistics on Registration of Reporting Entities, 31 March 2025

SECTOR	REGISTRATIONS 2022/23	REGISTRATIONS 2023/24	SECTOR SIZE 2024/25	REGISTRATIONS 2024/25	REGISTRATIONS 2024/25
Accountants	253	268	280	271	97%
Attorneys	58	60	395	74	19%
Auditing Firms	0	0	32	13	41%
Banks	11	11	11	11	100%
Botswana Unified Revenue Service	1	1	1	1	100%
Bureau de Change	33	34	52	36	69%
Car Dealerships	36	37	129	35	27%
Casinos	9	7	7	7	100%
Development Finance Institutions	0	2	2	2	100%
Electronic Payment Service/Money or Value Transfer Services	23	23	24	24	100%
Non-Bank Financial Institutions	403	506	855	614	72%
Non-Profit Organisations	14	16	58	17	29%
Precious, Semi-Precious Stones and Precious Metal Dealers	68	69	117	78	67%
Real Estate Professional	106	106	146	101	69%
Savings and Credit Cooperatives Society	78	41	55	41	75%
Total	1093	1181	2164	1326	61.2%

As at 31 March 2025, 1,326 entities were registered on goAML system, an increase of 12.3 per cent from the 1,181 entities registered during the previous year. The 1326 entities registered on the system represents only 61.2 per cent of the total number of reporting entities, indicating a moderate level of registration on the system. This might be attributed to the size and resource capabilities of some reporting entities. Sectors that have low registration rates (e.g. Attorneys; 19 per cent, Car dealerships; 27 per cent and NPOs; 29 per cent) are those whose membership is mostly constituted by small businesses with resource constraints and, in most cases lacking expertise and capacity to register and submit reports through the

Box 3: What is the goAML system

GoAML (Government Office on Anti Money Laundering) is a system developed by the United Nations office on Drugs and Crime (UNODC) and used by the Financial Intelligence Units to receive, analyse and disseminate financial intelligence. In addition to assisting in data collection and analysis, the system provides a secure information exchange platform between FIA and the reporting entities.

system. In addition, there was evidence of lack of awareness and misunderstanding of reporting obligations demonstrated by the low number of reports received from these entities (see Table 4).

In order to ensure consistent reporting, FIA has made a provision for manual reporting by entities not registered on the goAML system. In addition, FIA is currently exploring ways of making goAML registration less complex for smaller businesses. Furthermore, the Agency has embarked on awareness campaigns to sensitize the reporting entities of their obligations. During the year under review, FIA focused on training the Savings and Credit Cooperative Society (SACCOS) sector. In this regard, three (3) workshops targeted at capacitating the SACCOS on the AML/CFT/CPF risks and their reporting obligations were held during November and December 2024. In total 57 professionals in the sector attended the workshops. In addition to the workshops the Agency provided ongoing support to individual entities on a need basis.

5.2 STATUTORY REPORTS

Pursuant to the requirement of the FI Act, FIA receives two types of reports from various reporting entities i.e. suspicious transaction/activity reports and threshold reports. The reports submitted provide a data set where illicit financial activities can be identified for purposes of producing actionable financial intelligence.

Box 4: What may trigger submission of an STR?

- Transactions that do not match customer profile;
- Questionable purpose of transactions;
- High volume of transactions conducted within a short period of time;
- Forged or falsified documents;
- Dubious or unclear source of funds;
- Adverse media reports
- Structuring or smurfing activities;
- Refusal to provide requested information;
- Untracable or suspicious account activities;
- Transactions involving high-risk individuals or jurisdictions;
- Overly complex or opaque corporate structures.

5.2.1 Suspicious Transaction Reports

Suspicious Transaction Reports (STRs) are submitted by the reporting entities in fulfilment of Section 38 of the FIA Act. Submission of STRs is triggered whenever there are reasonable grounds to suspect that a transaction or activity is related to illegal and criminal activities observed by reporting entities (See Information Box 4).

During the period under review, the Agency received 850 STRs, a decrease of 8.9 percent from 933 reported in the previous year. Despite the decrease in the number of reports, the total value of the reported transactions increased by 12.8 percent, from P426.7 million reported in 2023/24 to P481.3 million. The increase in the value of STRs, though not very significant, suggests a potentially increasing volume of illicit financial funds flowing through the financial system. This may be attributable to a number of reasons including the rapidly increasing use of technology in financial services, which not only enhance operational efficiency, but also facilitates criminal activities within the sector, increasing their scale and reach. For example, during the year under review, a large number of the STRs received were predicated on illegal deposit taking perpetrated through online financial investment scams. Of these, 54 per cent of the value of the deposits were in relation to illegal foreign exchange trading, 34 per cent in unlicensed crypto trading, 5 per cent in Ponzi schemes and the rest in other illegal activities.

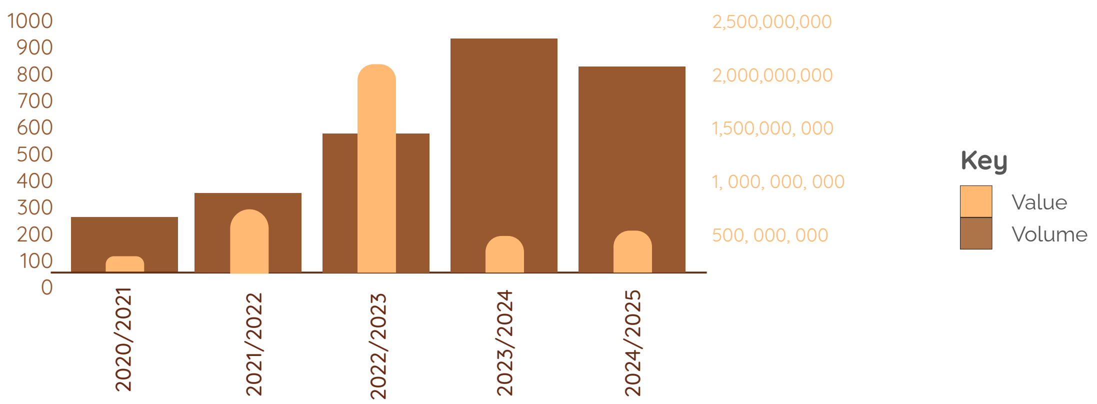
5.2.2 Suspicious Activity Reports

A Suspicious Activity Report (SAR) is a report about a suspicious activity or behavior by a customer who attempts, but does not proceed with conducting a transaction. FIA received 129 SARs during the reporting period. The main contributors were the banks at 54 per cent and virtual assets service providers (VASPs) at 25 per cent. This distribution highlights the dominant role of banks in the suspicious activity reporting regime during the reporting period.

Table 5: Number and Value of STRs Received, 31 March 2025

Sector	2023/24		2024/25	
	No. of Reports	Amount (BWP)	No. of Reports	Amount (BWP)
Accountants	1	45,000.00	0	0
Asset Management	2	38,221.07	3	634,06700
Attorneys	0	0	1	30,000.00
Banking	828	420,919,160.08	782	475,703,662.00
Bureaux de Change	46	279,821.00	38	161,252.00
Car dealers	9	3,074,953.98	6	3,470,900.00
Casinos	4	46,150.00	0	0
Credit Unions	1	75,000.00	2	110,000.00
Development Finance Institutions	1	129,827.80	0	0
Insurance Companies	2	643,859.96	1	18,900.00
Medical Aid	1	36,714.00	0	0
Micro lenders	3	245,000.00	6	1,061,579.00
Money or Value Transfer Service Providers	30	361,902.98	9	116,900.00
Retail	0	0	2	36,230.00
Virtual Asset Service Providers	4	809,970.00	0	0
Total	**933**	**426, 705, 580.87**	**850**	**481,343,490.00**

Chart 2: Number and Value of STRs for the 5 years 2020- 2025



The banking sector continued to be the dominant source of STRs, with 782 reports worth P475.7 million accounting for 92 percent of total number of STRs received. The lowest reporting sectors were Attorneys, Insurance Companies and Security Dealers, each reporting a single STR. There were no reports filed by Casinos, Accountants, DFIs, VASP's and other NBFIs. As indicated earlier, lack or low level of reporting by these institutions may be attributable to lack of understanding of their reporting obligations.

5.2.3 Threshold Reports.

The FI Act mandates reporting entities to submit threshold reports whenever a transaction involving P 10 000 or more occurs. Threshold transactions are not suspicious transactions but are submitted to provide a pool of information useful in detecting illegal activities and in the development of financial intelligence. Threshold reports required under the FI Act are the International Funds Transfer, Electronic Funds Transfer, Cross Border Cash Declaration, and Cash Transaction Reports.

5.2.3.1 International Funds Transfers

The IFTs provide an essential component of the AML/CFT/CPF regime as they assist in monitoring cross-border cash movements with the aim to identify illicit financial flows. Table 6 below provides information on the incoming transactions reported during the year under review.

Table 6: Top 5 Source Countries for IFTs

	Country	Transaction Count	Value (BWP)
1.	USA	18,330	29,834,342,190.63
2.	South Africa	13,599	7,096,475,384.85
3.	United Kingdom	4,079	3,158,512,287.41
5.	Zimbabwe	448	737,580,783.20

During the year 2024/25, P288 billion worth of IFTs were reported to the Agency. It is worth noting that the P288 billion reported only accounts for the transactions worth P10 000 or more. It does not therefore reflect the total value of international funds transfers in to the country for the reporting period.

As indicted at Table 6 above, the United States of America accounted for the highest values of IFTs with P29.8 billion followed by South Africa at P7 billion and the United Kingdom at P3.2 billion. Mining and personal remittance were the main drivers of the inflows, consistent with the financial and economic ties between Botswana and these countries.

Table 7: Top 5 Destination Countries for IFTs

	Country	Count	Value (BWP)
1.	South Africa	86,238	33,420,561,076.86
2.	United Kingdom	3,248	4,257,008,109.47
3.	China	6,534	3,061,844,934.§§8
4.	Mauritius	1,938	2,781,587,287.55
5.	USA	2,866	2,562,643,025.58

On the other hand, South Africa was the largest recipient of financial outflows from Botswana, valued at P33.4 billion from 86, 238 transactions. This is consistent with the country's trade relations with South Africa. Other top destinations for outgoing funds included the United Kingdom, China, Mauritius, and the United States of America. Transfers to the UK and USA were linked to foreign investments, while payments to China were tied to imports.

5.2.3.2 Electronic Funds Transfers

Financial institutions are required to file reports on electronic funds transfers (EFTs) amounting to or exceeding P10,000.00. During the year 2024/25, the Agency received 22,055 EFT reports, representing a 3.8 per cent increase from 21,239 reports submitted in 2023/24. Despite the marginal rise in the number of reports, the total value of transactions declined by 5.8 per cent, from P746 billion in 2023/24 to P703 billion in 2024/25.

5.2.3.3 Cash Transaction Reports

In accordance with Section 39 of the Act, reporting entities are required to submit Cash Transaction Reports (CTRs) to the Agency. During the period under review, a total of 30,991 CTRs were received, representing a 27.1 percent increase from 24,381 reports submitted in 2023/24. Despite the significant rise in the number of reports, the total value of cash transactions declined sharply by 28.3 percent, from P47.3 billion in 2023/24 to

P33.9 billion in 2024/25.

5.2.3.4 Cross Border Cash Declaration Reports

During the period under review, the FIA received 2, 805 cash declaration reports with a total amount of P141.8 million. The cash was declared by travellers across the country's ports of entry. This was a decline of 17.2 per cent of number of declarations and 19 per cent for the amount declared. Table 9 further shows that Maun International Airport was leading in terms of both number and amounts declared. Mamuno and Ramokgwebana are the most active inland borders.

Table 8: Summary of Statutory Reports

REPORT TYPE	NO. OF REPORTS	TOTAL VALUE (BWP)
CTR	30,991	33,925,402,208.00
EFT	22,055	703,284,757,230.00
IFT	4,654	288,434,905,455.00
STR	850	481,343,490.00

Table 9: Cross Border Cash Declarations for 2023/24 and 2024/25

	2023/24		2024/25	
PORT OF ENTRY	No. of Declarations	Amount (BWP) Million	No. of Declarations	Amount (BWP) Million
Maun International Airport	1512	52.22	1345	47.83
Mamuno Border Post	740	31.50	551	23.30
Kazungula Bridge	67	11.72	65	9.73
Sir Seretse Khama International Airport	396	28.06	330	22.39
Ramokgwebana Border Post	357	30.11	275	23.46
Martins Drift Border Post	78	6.40	28	1.89
Ngoma Border Post	27	1.36	22	1.12
Kasane International Airport	50	1.96	56	2.23
PG Matante International Airport	4	1.3 4	5	1.34
Ramatlabama International AIrport	19	1.90	17	1.19
Tlokweng Border Post	49	3.10	46	2.90
Mohembo Border Post	26	1.00	23	0.96
Pioneer Gate Border Post	5	0.09	3	0.67
Matsiloje Border Post	9	0.30	7	0.24
Kasane Inland Office	11	0.50	7	0.34
Platjaan Border Post	5	0.40	1	0.03
Kazungula Road Border Post	26	2.79	19	1.27
Ramotswa Border Post	1	0.07	1	0.07
Parrs Halt	0	0,00	2	0.02
Sikwane Border Post	3	0.03	2	0.02
VAT EFT Office	2	0.10	0	0.00
Large Taxpayer Office	2	0.05	0	0.00
GRAND TOTAL	3389	175	2805	141.8

5.2.4 Voluntary Reports

Voluntary reports are filed by individuals or entities regarding observed activities that may pose ML/TF/PF risks. The FIA received one (1) voluntary report during the year, relating to maladministration of a Non-Profit Organisation.

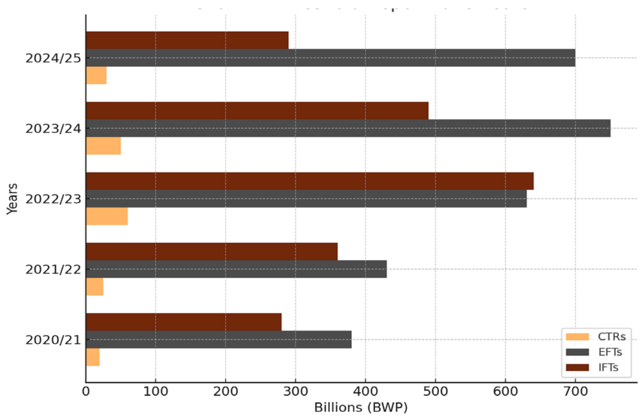
5.3 ANALYSIS OF INFORMATION TO PRODUCE INTELLIGENCE

Analysis is the process of adding value to the information received by an FIU, by reviewing and interpreting the data to produce financial intelligence. This is done by using both operational and strategic techniques to uncover patterns, relationships, and indicators of money laundering, terrorist financing and other financial crimes, ultimately transforming raw data into actionable intelligence. Operational analysis examines specific STRs or cases to trace fund flows, identify links, associations and criminal schemes, whereas strategic analysis identifies trends and typologies in financial crime.

5.4 MONITORING OF TRANSACTIONS

Monitoring of transactions refers to the continuous and systematic review of financial transaction reports received by the FIA. This process is aimed at identifying unusual or suspicious activities that may indicate money laundering, terrorist financing, or other financial crimes. Effective monitoring enables the FIA to fulfil its core mandate of safeguarding the integrity of Botswana's financial system.

Chart 3: Threshold Report for 5 Years



The FIA conducts daily surveillance of its transaction databases, supported by automated analytics and manual reviews. Insights generated from these monitoring activities inform the production of weekly, monthly, and quarterly analytical reports. Where indicators of suspicious activities are identified, the Agency generates internal STRs for further analysis in accordance with Section 37 of the FI (Amendment) Act, 2025.

Beyond compliance assurance, the monitoring function plays a strategic role in shaping national AML/CFT/CPF priorities. It provides an evidence base for risk assessment, policy formulation, and targeted supervisory interventions. Through continuous monitoring, the FIA ensures that:

a) Reporting entities adhere to their legal obligations, enhancing the overall quality and timeliness of financial intelligence;

b) High-risk and unusual transactions are promptly identified, allowing for early detection and disruption of potential financial crime networks;

c) Emerging typologies and trends are detected and analysed, supporting proactive responses to evolving money laundering and terrorist financing threats;

d) Strategic intelligence is generated, enabling collaboration with law enforcement, regulators, and other competent authorities in the fight against financial crime.

5.5 DISSEMINATION OF FINANCIAL INTELLIGENCE

During the year, the FIA disseminated 102 financial intelligence to various competent authorities, compared to 79 in the last year. The increase was attributed to a number of disseminations relating to illegal deposit taking where individuals solicit funds from members of the public for investment without a licence. These reports were shared with the relevant competent authorities for investigation and enforcement as shown in Table 10.

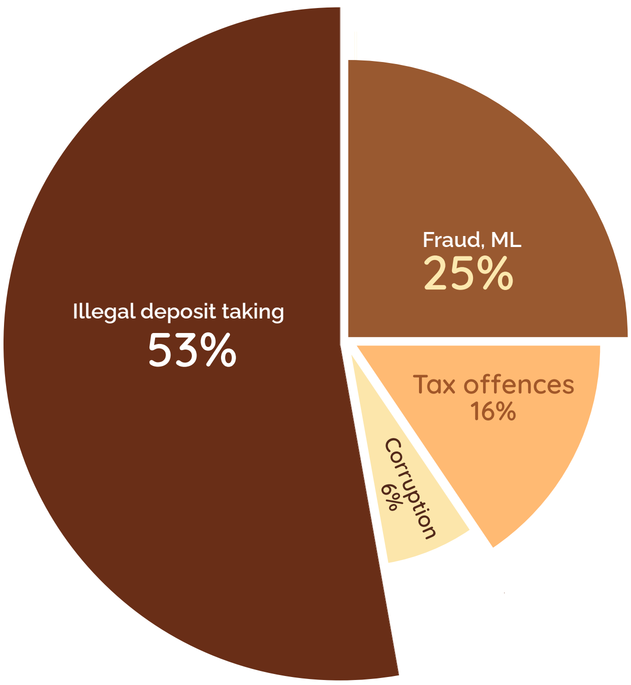
Table 10: Dissemination of Intelligence Reports

Recipient	2023/24 Number of Reports	2024/25 Number of Reports
Law Enforcement Authorities	71	72
Supervisory Authorities	2	18
Other FIUs	3	3
Other Government Departments	3	9
Total	**79**	**102**

5.5.1 Suspected Predicate Offences

As shown at Chart 6 below, during the period under review, the prevalent predicate offences observed were illegal deposit taking, fraud and money laundering, tax crimes and corruption. The leading predicate offence was illegal deposit taking at 53 per cent.

Chart 4: Suspected Predicate Offences



5.5.2 Spontaneous Disseminations

Spontaneous dissemination is the unsolicited sharing of financial intelligence by an FIU with a domestic authority or a foreign counterpart where an FIU identifies information that may be relevant to an investigation. During the period under review, the Agency shared 32 spontaneous financial intelligence, of which 53 per cent were shared with Supervisory Authorities and 47 per cent with investigatory authorities.

5.5.3 Reactive Disseminations to Domestic Authorities

Reactive disseminations refers to the financial intelligence shared with competent authorities upon request. During the review period, the Agency disseminated 70 reactive intelligence reports. The highest recipients of the reactive financial intelligence were law enforcement authorities at 81 per cent, to support on-going investigations related to obtaining by false pretences, drug trafficking, fraud, corruption and stealing by servant. The remaining 19 per cent were disseminated to Government Departments and other FIUs.

5.5.4 Reactive Disseminations to other FIUs

As part of cooperation and collaboration with international partners the FIA made three (3) disseminations to other FIUs, which all emanated from requests for information by the respective FIUs.

5.6 INTERRUPTION OF TRANSACTIONS

The FIA has administrative powers to direct the interruption of transactions suspected to be connected to financial crimes. This instrument is implemented as a means of preventing dissipation of suspect illicit funds or assets while financial analysis is still ongoing.

The Agency interrupted transactions in three (3) bank accounts amounting to P2.3 million suspected to be linked to the commission of finacial crimes. The suspected predicate offences were theft, obtaining by false pretences and money laundering.

5.7 AML/CFT/CPF COMPLIANCE MONITORING & SUPERVISION

Section 2 of the FI Act gives FIA the AML/CFT/CPF supervisory responsibility for specified parties or accountable institutions that do not have a supervisor designated under Schedule 2 of the Act. As an AML/CFT/CPF supervisor, FIA is responsible for the supervision of Development Finance Institutions (DFIs), namely Citizen Entrepreneurial Development Agency (CEDA) and Botswana Development Corporation (BDC).

The FIA applies various risk based supervisory tools and interventions to prioritise, monitor and enhance AML/CFT/CPF compliance by reporting entities. The supervision activities focused on high priority areas such as conducting of institutional risk assessment, targeted financial sanctions, and reporting of suspicious transactions.

5.7.1 AML/CFT/CPF Examinations

On-site examinations is the primary tool used to ensure compliance. In line with Section 36 (2) of the FI Act, the Agency conducted two (2) on-site examinations for car dealerships during the year 2024/25. The examinations revealed that most of the car dealerships did not undertake institutional risk assessment while others were not updated at regular intervals to ensure relevance and efficacy. Further more it revealed low level of implementation of UNSCR sanction list as required under UNSC Resolutions, 2022.

Following the examinations, a remedial plan was agreed upon for implementation by the reporting entities. This constitutes ongoing feedback to the Agency on the actions the entities have taken to strengthen their compliance program.

5.7.2 Stakeholder Engagements

During the year under review the FIA held the following engagements:

i) Banking Sector: The FIA held bilateral meetings with four (4) banks Stanbic Bank Botswana, Standard Chartered Bank Botswana, ,Absa Bank Botswana and Bank Gaborone. The purpose of the meetings was to discuss their reporting obligations.

Box 5 : What is The Botswana AML/CFT/CPF Supervisory Forum?

The Forum was established to ensure that the supervisory obligations and responsibilities as set out in Financial Intelligence Act are fulfilled consistently, efficiently and effectively. Members of the Forum are:

FIA, NBFIRA, BoB, LSB, DoM, CIPA, RoS, GA, BICA, BAOA, Master and Registrar of the High court, Diamond Hub, Real Estate Advisory Council

ii) AML/CFT/CPF Supervisory Forum: The Supervisory Forum held three (3) meetings on 13 August 2024, 25 October 2024 and 12 February 2025. Through these meetings and other engagements of the Forum, key milestones such as standardization of application of CDD measures, quality reporting on the goAML system and implementation of UNSCR list were achieved.

Similarly two (2) meetings were held with Registrar of Societies (RoS) and BICA to discuss their supervisory role following the FI (Amendment) Act.

iii) Law Enforcement Authorities: Seven (7) meetings were held with law enforcement authorities and other competent authorities locally and regionally.

5.7.3 Training of stakeholders

The FIA conducts targeted training of stakeholders to enhance their knowledge on effective implementation of AML/CFT/CPF measures. To this end, FIA trained two (2) stakeholders namely Corruption Prevention Committee under the Ministry of Minerals and Energy (MME) and Department of Curriculum under the Ministry of Child Welfare and Basic Education (MCWBE). MCWBE training is part of FIA's collaborative efforts to explore inclusion of AML/CFT/CPF matters into the secondary education curriculum. The FIA is yet to sign a Memorandum of Understanding (MoU) with MCWBE to solidify their partnership.

5.7.4 Outreach Programmes

Following the removal of the car dealerships from AML/CFT/CFP regulation and Supervision, the FIA conducted a workshop in February, 2025 to inform the sector of their delisting in the FI (Amendment) Act, 2025. The car dealerships were urged to continue to implement CDD and other preventive measures to mitigate the risk of money laundering and other illicit activities.

5.7.5 Implementation of United Nations Security Council Resolutions

The Financial Intelligence Agency (FIA), under delegated authority from the National Coordinating Committee on Financial Intelligence (NCCFI), implements United Nations Security Council Resolutions (UNSCRs) in accordance with the Financial Intelligence (Implementation of UNSCRs) Regulations, 2022. In fulfilling this mandate, the FIA cascades sanctions lists to reporting entities for appropriate action, which may include client database screening, freezing of funds or assets linked to listed individuals or entities, and submission of positive match or nil returns.

The following Tables summarise the sanctions cascaded during the reporting period, disaggregated by those requiring returns and those for noting.

Table 11: United Nations Security Council Sanctions Cascaded – Required Returns

No	Date Cascaded	UN Reference/ Sanction Notice	Sanctions Committee/ Description
1.	16 April 2024	SC/15664	1718 Sanctions Committee – Amendment of one entry on the Sanctions List
2.	26 April 2024	SC/15682	ISIL (Da'esh) & Al-Qaida Sanctions Committee – Amendment of one entry
3.	22 May 2024	SC/15703	Al-Shabaab Sanctions Committee – Addition of three new entries
4.	01 October 2024	SC/15837	2653 Sanctions Committee – Addition of two new entries
5.	09 November 2024	SC/15892	1591 Sanctions Committee – Addition of two new entries
6.	03 December 2024	SC/15916	ISIL (Da'esh) & Al-Qaida Sanctions Committee – Amendment of three entries

Table 12: United Nations Security Council Sanctions Cascaded – For Noting

No	Date Cascaded	UN Reference/ Sanction Notice	Sanctions Committee/ Description
1.	01 June 2024	SC/15717	Libya Sanctions Committee – Humanitarian travel exemption (six months) for one listed individual
2.	01 August 2024	SC/15781	2140 Sanctions Committee – Removal of two entries from the list
3.	24 August 2024	SCA/2/24 (09)	ISIL (Da'esh) & Al-Qaida Sanctions Committee – Removal of one entry
4.	18 September 2024	SC/15823	1718 Sanctions Committee – Amendment of one entry
5.	21 December 2024	SC/15953	1970 Sanctions Committee – Removal of one entry
6.	23 February 2025	SC/16003	ISIL (Da'esh) & Al-Qaida Sanctions Committee – Removal of one entry

06 PARTNERSHIPS

6.1 INTRODUCTION

FATF Recommendation 2 requires countries to establish and maintain national and international cooperation and coordination frameworks for effective sharing of information to combat money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction. Accordingly, Section 6(3) of the FI Act empowers the Director General to consult and cooperate with law enforcement officers, government agencies, other institutions, and such other persons as the Agency considers desirable, and to enter into memoranda of understanding with such bodies, both locally and internationally, in support of the Agency's functions. In addition, section 55 of the FI Act provides for the exchange of expertise and financial intelligence with other foreign financial intelligence units and other comparable bodies.

Pursuant this requirement and during the year under review, the FIA engaged in several initiatives, not only aimed at strengthening partnerships for sharing of information, but also for purposes of exchange of knowledge and expertise

6.2 INTERNATIONAL COOPERATION

6.2.1 Memoranda of Understanding

6.2.1.1 Domestic

It should be noted that the only international MoU not reflected in this report is the MoU concluded with the Financial Reporting Centre of Kenya on 7 September 2018. For purposes of scope and consistency, the compilation of MoUs is limited to those in force up to and including March 2025, and any agreements entered into thereafter fall outside the coverage of this report

List of Memoranda of Understanding (MoUs) entered into by the Financial Intelligence Agency (FIA) with domestic entities

BOX 6 : Affiliations to International Organisations

FATF: Established in 1989. It is the global money laundering and terrorist financing watchdog. Its objectives are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, financing of terrorism, financing of proliferation of arms of war and NBC weapons, and other related threats to the integrity of the international financial system. Botswana is a member of the FATF through its membership to ESAAMLG.

ESAAMLG: Established in 1999. It is a Regional Body subscribing to global standards to combat money laundering and financing of terrorism and proliferation. Its objectives are to implement measures to prevent and control laundering of proceeds of all serious crimes and the financing of terrorism and proliferation of weapons of mass destruction. Botswana is a member alongside 20 other African countries.

EGMONT Group of FIU's: The EGMONT Group is an international network of Financial Intelligence Units (FIUs), currently with 166 FIU members. The Group is designed to improve interaction among FIUs in the areas of communication, intelligence sharing and training. The goal is to provide a forum for FIUs around the world to enhance support to their respective governments in the fight against money laundering, financing of terrorism and other financial crimes. Botswana became a member of the EGMONT Group in July 2021.

SADC AML Committee: The SADC AML Committee was established in line with Annex 12 of the SADC Protocol in Finance and Investment. The Committee was launched in February 2024. The main objective of the Committee is to enhance effective implementation of FATF standards and ensure capacity building by SADC Member States.

Table 13 : MoUs signed Domestically .

ENTITY	DATE OF SIGNING
Non-Bank Financial Institutions Regulatory Authority	25/10/15
BPS, BURS, DCEC, DISS, FIA (concerning cooperation in law enforcement and exchange of information)	26/11/2018
BPS, BURS, DCEC, DISS, FIA (to operationalize CTAFT)	30/12/2020
BPPP	18/06/24
Bank of Botswana	12/10/2017
University of Botswana (provision of funds for the establishment of an institute for combating illicit financial flows)	20/01/25
Registrar of Societies ,BPS,DISS ,CTAFT ,DCEC	12/03/21
Chemical ,Biology ,Radiology and Nu-clear Weapons Management Authority	24/01/2015

6.2.1.2 International

In the spirit of facilitating a seamless exchange of information between FIA and its international stakeholders, as at 31 March 2025, FIA has signed a total of 14 MoUs with the other FIUs in the region. Signing of the MoUs with these countries was motivated by the need to have formal mechanisms of collaboration and cooperation to combat transnational crimes.

Table 13 : s signed with other Countries.

Country	Date of signing
1. Namibia	21/7/2011
2. South Africa	28/10/2011
3. Angola	04/9/2014
4. Zimbabwe	30/3/2015
5. Lesotho	25/5/2015
6. Eswatini	25/5/2015
7. Uganda	25/5/2015
8. Zambia	04/9/2015
9. Seychelles	03/9/2018
10. Siera Leone	03/9/2018
11. Malawi	12/4/2019
12. Tanzania	12/4/2019
13. Madagascar	01/12/2022
14. Rwanda	30/3/2023

6.2.2 Exchange of information with other FIUs

Sharing of AML/CFT/CPF information is of great significance to the international agenda for addressing ML/FT/PF risks. This is because ML/TF/PF risks are inherently borderless. During the year under review FIA received three (3) requests for information from Eswatini, Namibia and Zimbabwe. The intelligence shared assisted FIUs and law enforcement authorities in these countries to investigate and possibly prosecute cases related to money laundering and other financial crimes.

Similarly, FIA made 12 requests for information from other FIUs namely Canada, Ghana, Hong Kong, Israel, Namibia, Netherlands, South Africa and Zambia. The information received was used to support on-going investigations by law enforcement authorities.

6.2.3 Egmont Centre Of Financial Intelligence Units Excellence And Leadership

The Egmont Centre of Financial Intelligence Units Excellence and Leadership (ECOFEL), the training institution of the EGMONT Group, provided training on Financial Analysis to 30 Financial Analysts and

BOX 7 : Information Exchange with FIA Malawi

The Agency made a spontaneous dissemination of financial intelligence to Financial Intelligence Authority, Malawi on 12 April 2023 following analysis of a suspicious transaction report from a commercial bank. It was reported that a company account held by a Malawi national received large sums of money from Malawi. The funds were subsequently transferred to the company director's personal accounts held at other local banks. Analysis of the matter identified transfers to several company accounts belonging to Malawi nationals.

Following investigations, the Financial Intelligence Authority, Malawi applied to the High Court of Malawi and was granted a forfeiture order is respect of funds in two (2) company accounts and the director's personal account. On 30 September 2025, the High Court of Malawi granted a forfeiture order to the tune of MK 1, 725,338,743.86

Investigators across competent authorities from 29 July to 2 August 2024. All Financial Analysts from the FIA attended the training. Participants gained in-depth insights into the Intelligence Cycle through practical exercises and case studies.

In addition, ECOFEL sponsored an Officer of the Agency on secondment to the Netherlands FIU from 13-24 January, 2025. The Officer gained exposure in information and communication technology, as well as operational and financial analysis functions.

6.2.4 Membership to ICRG and Secondment to ESAAMLG

Botswana, through the FIA, embarked on two strategic initiatives of membership to the Financial Action Task Force-International Cooperation Review Group, representing Africa Joint Group and secondment to the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in February and June 2024, respectively.

FIA has seconded one officer to the ESAAMLG in June 2024. Membership to the FATF-ICRG and ESAAMLG secondment are part of Botswana's broader strategy of building anti-money laundering/counter-financing of terrorism/counter-proliferation financing (AML/CFT/CPF) capacity.

6.3 NATIONAL COOPERATION

6.3.1 Botswana Public Private Partnership

The BPPP is one of the strategic responses to improve cooperation and collaboration among private and public entities for better crime detection and prevention. Institutions that make up the Task Force are from the banking sector, mobile money operators, intelligence and law enforcement authorities, company registry and the Central Bank. The objective of the Task Force is to among others provide a platform for exchange of information, capacity building and collaboration in the fight against financial crime. The BPPP has adopted three (3) focus areas namely Capacity Building, Research and Collaboration for its 2025/26 annual work plan.

6.3.2 University Of Botswana Institute For Combating Illicit Financial Flows

The FIA representing the Government of Botswana in collaboration with the University of Botswana (UB), successfully established the Institute for Combating Illicit Financial Flows (ICIFF). The Institute, which is housed within the UB, provides training and research on AML/CFT/CPT issues with the objective to enhance the country's capabilities and capacity in combating ML, TF, PF and other financial crimes. During the period under review, the ICIFF successfully hosted a colloquium for Judges on the 8 – 9 July and 25 – 26 February 2025 in Gaborone. The objective of the colloquium was to;

- Enhance the understanding of Financial Action Task Force (FATF) Recommendations,
- Reflect on the 2017 Mutual Evaluation Review key findings related to the role of the judiciary in curbing financial crime, and implications thereof,
- Facilitate knowledge sharing and exchange of best practices among Judges to ensure the judiciary plays an effective role in combating financial crimes.

6.3.3Intelligence, Law Enforcement And Prosecution Forum

The Forum was established to enhance effectiveness in the value chain relating to intelligence, investigation, prosecution and asset recovery in combating financial crime. The Forum held its second meeting in October 2024, and will be focusing on identified priority areas being Understanding of National Risks, (in order deploy appropriate mitigation measures), Capacity Building through specialized joint training programs and Improving the Quality of Intelligence, Investigations and Prosecution of Money Laundering cases.

6.3.4 Collaboration With Ministry Of Child Welfare And Basic Education

In the spirit of the phrase "catch them while they are still young," the FIA has collaborated with the Ministry of Child Welfare and Basic Education (MCWBE) to raise learners awareness on financial crime . This was in recognition of the increasing youth involvement in financial crimes. To this end, the FIA and the Ministry will play a key role to raise awareness aimed at protecting the students.

07

INSIGHTS IN FINANCIAL CRIMES

7.1 TRENDS IN FINANCIAL CRIME

In line with Section 6(2) of the Act, the Agency conducted strategic analysis to identify emerging trends, typologies, vulnerabilities and threats affecting the national and regional financial systems. This broad understanding enables policymakers, regulators, law enforcement and reporting entities to understand the risks and implement targeted counter measures, thereby enhancing Botswana's AML/CFT/CPF framework. Chart 5 provides information on the most notable trends in financial crimes observed during the year under review.

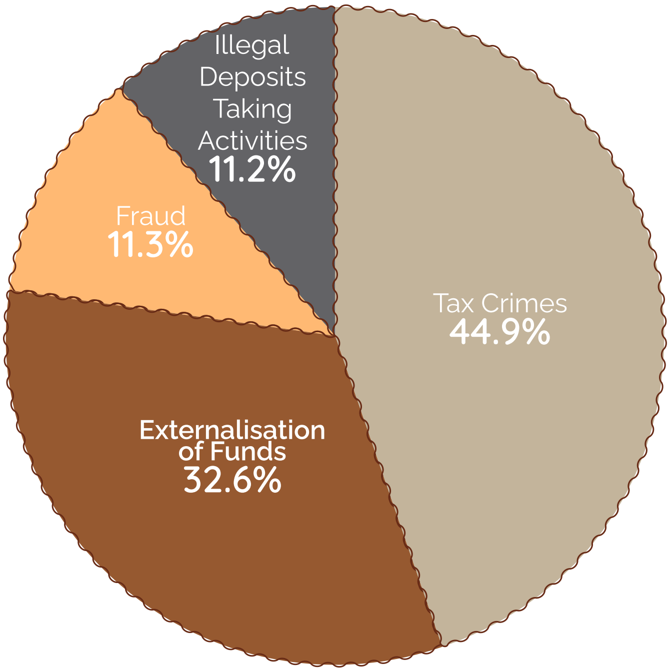
Tax Crimes

Tax crimes are intensional illegal actions, to evade taxes, defraud tax authorities or fail to comply with tax laws, such as under reporting income, inflating deductions, or hiding assets offshore. During the period under review, we observed tax offences such as evasion, fraud, non-declaration of goods or other failures to comply with tax regulations. In several instances, businesses used personal accounts to conduct business transactions in an effort to conceal income and evade tax obligations.

Externalisation of Funds

During the year under review, we observed incidents where large cash deposits were made into bank accounts and almost immediately transferred to foreign jurisdictions often disguised as payment for purchase of stock or raw materials. In almost all the cases, the cash deposits were primarily new high denominations such as P200 and P100. Some bank accounts involved were newly opened and the businesses involved were mainly retail stores in clothing, electronics and accessories.

Chart 5: Trends in Financial Crime



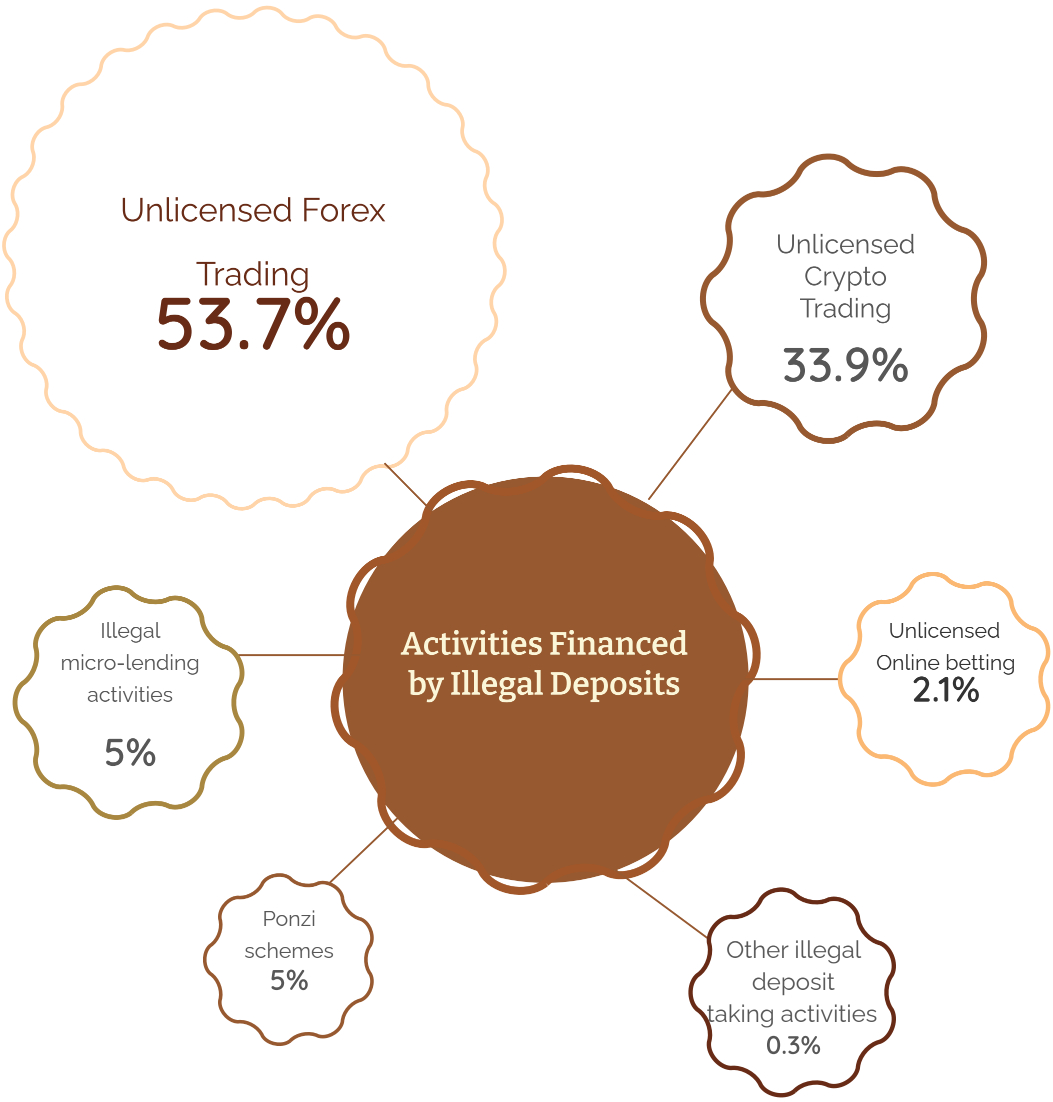
Illegal Deposit Taking

Illegal deposit taking involves the soliciting of funds from the public without a license in violation of the Banking Act. During the period under review, such activities were commonly linked to unlicensed cryptocurrency and forex trading, pyramid schemes and online betting operations conducted on behalf of others. These schemes particularly attracted youth participation, often through promises of quick financial returns. The proceeds were typically disposed off through point-of-sale purchases, cash withdrawals and multiple electronic funds transfers to various individuals, reflecting clear signs of layering and integration consistent with money laundering practices. Chart 9 shows a breakdown of activities financed by illegal deposits.

Fraud

These include deceptive activities intended to unlawfully obtain money often through manipulation, misrepresentation or abuse of trust. During the review period, fraudulent activities manifested in various forms, including mobile money and online scams, religious scams and loan advance fee scam. Some individuals used falsified documents to secure loans from financial institutions, while others engaged in internal fraud such as embezzling funds from their employers. These scams often involve the use of multiple accounts to conceal the illicit proceeds, followed by rapid withdrawals or transfer to third parties in an attempt to obscure the audit trail.

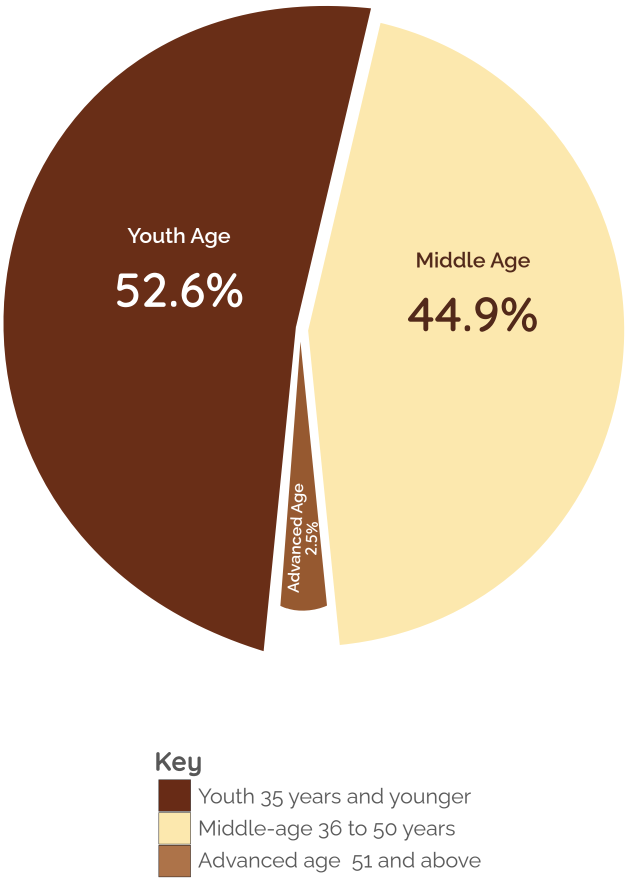
Chart 6: Activities Financed by Illegal Deposits



7.2 AGE ANALYSIS OF PERPETRATORS

Research has shown that age influences patterns of criminal behavior throughout an individual's life. It has been established that criminal activity usually rises during adolescence, reaches a peak in the late teens and gradually declines as individuals move into adulthood. During the period under review, the linear relationship between age and crime was observed as shown at Chart 10. The youth were implicated in most STRs, accounting for 52.6 per cent of the reports, the middle aged accounted for 44.9 per cent while the advanced age were at 2.5 per cent. The predicate offences linked to the youth were technology driven offences such as unlicensed dealings in crypto-currencies, online foreign exchange and other online based scams. This observation is aligned to their exposure to technology having grown up with constant access to technology including smartphones, social media and internet. The middle and advanced aged perpetrators were linked to incidents of fraud, stealing by servant and tax crimes.

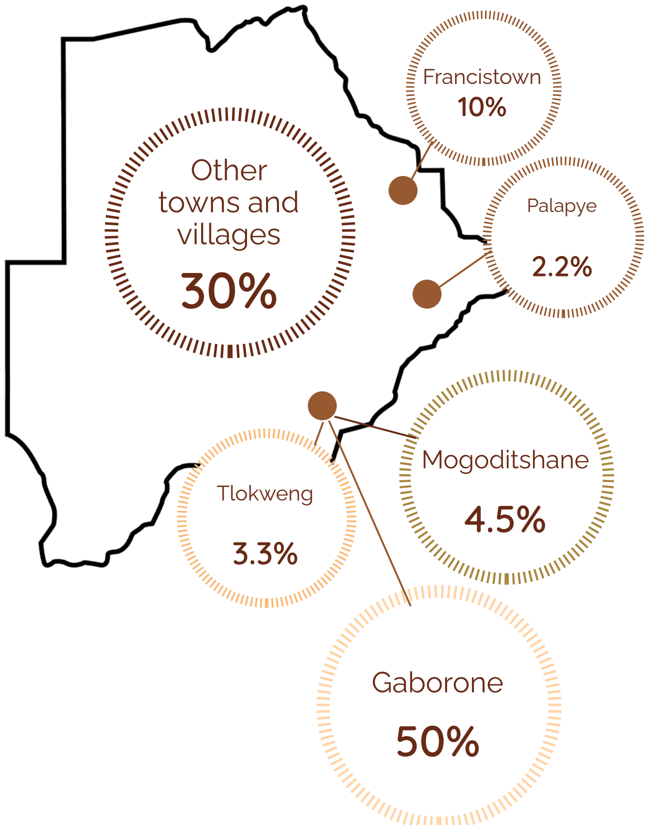
Chart 7: Age Analysis of Perpetrators



7.3 GEOGRAPHIC CRIME ANALYSIS

During the period under review, the analysis indicated that most of the suspicious transaction reports received by the Agency were from financial institutions and involved suspects based in Gaborone. These accounted for 50 per cent of the reports, reflecting the City's vulnerability to crime as the country's main financial and commercial centre. Reports from Francistown accounted for 10 per cent while Mogoditshane, Tlokweng and Palapye were at 4.5 per cent, 3.3 per cent and 2.2 per cent, respectively. The remaining 30 per cent of the reports were spread across other major towns and villages nation-wide, reflecting that although suspicious activities are concentrated in urban centres, financial crimes are increasingly being detected across a wider geographic area.

Chart 8: Geographic Crime Analysis



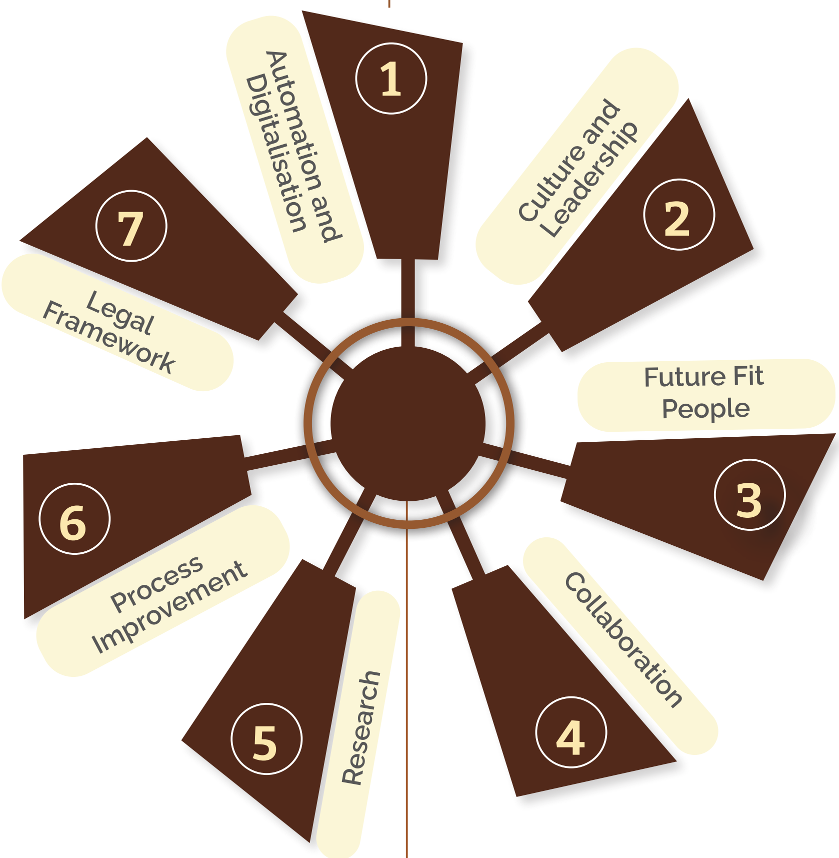
08 NEW PROJECTS AND DEVELOPMENTS

8.1 STRATEGY DEVELOPMENT

The FIA drafted its maiden Strategic Plan for the period 2026–2028 during the year under review. The Strategic Plan was developed with the technical and financial support of Debswana Mining Company.

The Strategic Plan period falls within the time frame in which Botswana will undergo the next AML/CFT/CPF Mutual Evaluation in 2027. Similarly, the Strategy was developed during a period of heightened globalisation and intensive use of information technology. The Strategic Plan is therefore designed to guide the Agency in strengthening implementation of its mandate, improving operational effectiveness, and aligning with international standards.

The Strategic Plan is therefore underpinned by seven (7) strategic pillars aimed at addressing key institutional priorities namely: building adaptive leadership and appropriate culture, building effective partnerships and enhancing operational efficiency,



Pillar 1: Automation and Digitalisation

Pillar 1 aims to guide the automation and digitalisation of FIA processes to increase operational efficiency.

Pillar 2: Culture and leadership

Pillar 2 focuses on cultivating leadership and organisational behaviour that support the achievement of strategic goals.

Pillar 3: Future Fit People

Pillar 3 seeks to build an agile, adaptable and forward thinking workforce, fit for the future high performing and innovation-driven FIA.

Pillar 4: Collaboration

Pillar 4 aims to foster domestic and international partnerships to facilitate sharing of information in order to combat money laundering (ML), terrorist financing (TF) and proliferation financing (PF).

Pillar 5: Research

Pillar 5 aims to enhance FIA's strategic response to financial crimes by undertaking research that effectively identifies emerging money laundering and terrorist financing trends and typologies.

Pillar 6: Process Improvement

Pillar 6 seeks to re-engineer the FIA core processes, to better respond to the evolving financial crime landscape.

Pillar 7: Legal Framework

Pillar 7 This strategic pillar focuses on strengthening FIAs legal and regulatory environment to ensure alignment with international standards.

8.2 FIA BUILDING

The construction of FIA's Office building started in the previous financial year and is nearing completion. The office building marks a key milestone in the FIA's long-term strategy of improving its efficiency, and providing a conducive working environment for its officers .

8.3 AMENDMENT OF THE FI ACT

The Financial Intelligence Act of 2022 was amended to align it with FATF standards and to close the outstanding deficiencies identified in the 2017 Botswana mutual evaluation report. The Act commenced on the 24 January 2025. The major changes that came with the amendment were giving the FIA operational independence and autonomy, removal of car dealerships as a specified party and deletion of the obligation of general reporting.

8.4 FIA LOGO

During the reporting period, FIA developed its own logo to establish, for the first time, its own corporate identity. The establishment of the corporate identity enhances the Agency's credibility and visibility, reinforcing its operational independence as required by the FATF Recommendations and confirmed by the FI (Amendment) Act of 2025. Moreover, the Logo is the Agency's strategic tool to create a recognisable identity that represents its mission, values and foster a deeper understanding of its mandate.

8.5 ESTABLISHMENT OF SECURITY SERVICES OFFICE AT FIA TO COMPLEMENT

In recognition of the evolving security landscape, the Agency has enhanced its protection framework by establishing a Physical Security function to complement its existing Cybersecurity programme, creating a unified and comprehensive security approach that ensures alignment with the Agency's strategic objectives and operational realities. Recognising the Agency's growing reliance on technology and the evolving cyber threat environment, this integration strengthens the Agency's ability to safeguard information assets, infrastructure, and personnel, thereby sustaining trust, ensuring compliance with industry standards, and enabling business continuity.

Key achivements during the period include:

- Strengthened detection, deterrence, and containment of both physical and cyber security incidents.
- Enhanced cybersecurity governance through policy updates, structured procedures, and continued alignment with standards such as ISO 27001 and the NIST Cybersecurity Framework.
- Ongoing staff awareness programs promoting a culture of shared responsibility and improved security consciousness across the organization.

NEW FIA OFFICE BUILDING

09

LOOKING AHEAD

9.1 THE UPCOMING 2027 MUTUAL EVALUATION

Botswana is scheduled for the third round of Mutual Evaluation (ME) expected to commence in January 2027. The ME is an in-depth exercise that analyses the implementation and effectiveness of measures to combat financial crimes by a jurisdiction. The process assesses the effectiveness of AML/CFT/CPF implementing agencies including players in the private sector. In preparation for the ME, FIA has developed a Strategic Road map outlining the vision and key pillars that will guide preparations towards the ME. The Road Map, which takes into account the milestones achieved and challenges experienced by the Agency over the years, outlines strategic initiatives and activities covering focus areas such as the legal and regulatory framework, application of technology for operational efficiency, statistics management and capacity building.

9.2 IMPLEMENTATION OF REFORMS TO IMPROVE FIA AUTONOMY

In our pursuit to build a fit for purpose entity, the Agency has embarked on a number of key strategic initiatives geared towards bolstering the Agency's autonomy and operational independence. One of such initiatives was the amendment of the FI Act to strengthen the operational independence of the Agency in line with international standards governing FIUs, particularly Criterion 29.7 of the FATF Assessment Methodology as well as the Egmont Group Principles.

9.3 DEVELOPMENT AND IMPLEMENTATION OF THE FIA LONG TERM STRATEGY

As we advance into the next phase of implementing the FIA Strategic Plan, our commitment to transforming strategic vision into measurable outcomes remains unwavering. Building on the progress achieved over the past year, we will intensify efforts across our core strategic pillars: strengthening institutional capacity, enhancing stakeholder engagement, and fostering innovation in our operations.

In pursuit of excellence, we will continue to cultivate robust partnerships, harness data-driven insights to inform policy and operational decisions, and embed a culture of accountability and continuous improvement throughout the Agency. These efforts are designed to ensure that our initiatives are not only responsive to emerging challenges but also aligned with our long-term objectives.

The coming year will be characterised by decisive action, agility, and strategic coherence. Every undertaking will be purposefully directed to deliver meaningful impact and sustained value to our stakeholders, reinforcing FIA's role as one of the trusted institutions in safeguarding the integrity of Botswana's financial system.

BOX 8 : What is a Mutual Evaluation?

Mutual Evaluation is a cornerstone of the international framework to combat financial crime. It is a peer-review process which evaluates the robustness of a jurisdiction's AML/CFT/CPF framework for compliance with the FATF Standards. A jurisdiction's legal and institutional framework and the extent to which the framework is effective in combating financial crime is assessed using the FATF Methodology. The product of the ME is the Mutual Evaluation Report (MER), a highly comprehensive document that detail the findings of the assessment.

10

FREQUENTLY ASKED QUESTIONS

The Agency has compiled a list of Frequently Asked Questions from its engagements with the general public, reporting entities, law enforcement authorities and other key stakeholders. We provide below some FAQ and Answers to address common issues raised by stakeholders

1 Is FIA an independent institution?

Yes, the Financial Intelligence Agency is established as an autonomous and operationally independent institution under Section 4 of the Financial Intelligence (Amendment) Act, 2025.

2 Is the FIA an Investigatory Authority?

No, the FIA does not have investigatory powers. The Agency is an administrative FIU, established to receive, process information and disseminate financial intelligence to law enforcement authorities and other competent authorities for investigation and eventual prosecution.

3 Who is entitled to information held by the FIA?

Designated entities such as Law Enforcement Authorities, FIUs and other competent authorities may access information held by FIA to the extent prescribed in the law.

4 What is money laundering?

Money laundering is the process of concealing funds generated from criminal activities such as theft, drug trafficking, fraud, or corruption to appear legitimate. In simple terms, it is the process of cleaning "dirty money".

5 Is money laundering a criminal offence in Botswana?

Money laundering is an offence criminalised under Section 47 (1) of the Proceeds and Instruments of Crime Act, 2014.

6 What is Terrorism Financing?

Terrorism financing is an act of collecting and providing funds to a terrorist or terrorist group to fund their operations or terror activities. Funds used to support terrorism may originate from legitimate sources such as personal donations and profits from businesses and charitable organisations or from criminal activities such as drug trade, fraud and robbery.

6 Is it a criminal offence in Botswana?

Terrorism Financing is an offence criminalised by Section 5 of the Counter Terrorism Act 2014.

7 What is Proliferation Financing?

Proliferation financing refers to the act of provision of funds for the manufacture, export, transhipment, brokering, transport, transfer, stockpiling of weapons of mass destruction including nuclear, biological and chemical weapons.

8 What are the key legislations making up Botswana's Anti-Money Laundering/ Counter Financing of Terrorism and Proliferation Financing Regime?

There is an array of legislations which collectively make up the AML/CFT/CPF regime of the country. These include:

- Constitution of Botswana
- Penal Code
- The Financial Intelligence Act
- Proceeds and Instruments Of Crime Act
- Data Protection Act
- Corruption and Economic Crime Act
- Banking Act
- Non-Bank Financial Institutions Regulatory Act
- Virtual Assets Act
- Intelligence and Security Service Act
- Non-Bank Financial Institutions Regulatory Authority Act
- Counter Terrorism Act
- Companies Act
- NBC (Prohibition) Acts: Nuclear Weapons (Prohibition) Act; Biological and Toxin Weapons (Prohibition) Act; Chemical Weapons (Prohibition) Act.
- Anti–Human Trafficking Act
- Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act
- Arms and Ammunition Act

- Trust Property Control Act
- Mutual Legal Assistance in Criminal Matters Act
- Extradition Act.

9 Why do financial institutions and other businesses keep requesting for identification documents and other information for an existing customer?

The documents are used for customer due diligence, commonly known as "Know Your Customer" or KYC. The rationale for financial institutions to regularly request identification documents is for purposes of maintaining up to date profiles of their customers which is required by law.

The FI Act provides that a specified party (e.g. bank, insurance company) shall, on an on-going basis conduct customer due diligence with respect to an existing business relationship including periodic review of accounts to maintain current information and records relating to the customer or beneficial owners.

10 Why am I requested to provide source of funds when transacting?

In an effort to prevent illegally obtained funds from entering the financial system, a specified party is required to verify the source of the funds being presented by customers or prospective customers. It is a process which is meant to protect the integrity of the financial system.

11 What is a suspicious transaction?

A suspicious transaction is any financial activity that appear unusual or does not make economic sense nor match the person's or company's known financial profile. The suspicion could be linked to a financial crime such as money laundering, fraud, corruption, or financing of terrorism.

12 What constitutes a Suspicious Transaction?

The following scenarios constitute grounds for a suspicious transaction, however the list is not exhaustive:

- Unusual amounts and patterns – Transactions that deviate from the customers known profile;
- Unusual sources – The money comes from unknown or suspicious sources;
- Unusual purpose – The transaction has no clear business or personal reason;
- Reluctance or secrecy – The customer avoids giving information, insists on paying in cash, or uses fake/unclear details.
- Connections to high-risk areas - Transactions involving countries or persons linked to terrorism, sanctions, or high corruption risks.

13 Who can report Suspicious Transactions?

Specified parties and accountable institutions are obliged to report suspicious transactions as prescribed by the FI Act. Notwithstanding, the FIA encourages individuals to report incidents of suspected financial crime to the Agency.

FIA

Financial Intelligence Agency