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24 February 2022

The Financial Action Task Force
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Dear Sir/ Madam

RE: Follow up letter on the unintended consequences of FATF recommendations to Zimbabwe leading to proposed restrictions to civic space and provision of humanitarian Services in Zimbabwe

Zimbabwe Lawyers for Human Rights (ZLHR) is a law-based not-for-profit organisation that has an objective in fostering a culture of human rights, constitutionalism and upholding the rule of law in Zimbabwe. Kindly note our interest.

This is a follow up to our letter dated 19 January 2022. While we look forward to your response to that letter, we wish to draw your attention to further developments on the issue pertaining to the gazetting of the Private Voluntary Organisations Amendment Bill 2021 (the PVO Bill) on 5 November 2021. As we write this letter, the PVO Bill is now before parliament and the following developments have passed or are scheduled to take place;

1. *Parliament processes*

- The Bill was placed before parliament on 17 February 2022 where it was read for the first time. It was also transmitted to the Parliament Legal Committee which has 26 days to look into the constitutionality of the Bill and present a report to parliament.
- Parliament has announced that it will be conducting public hearings of the Bill and these are set to take place from 28 February to 4 March 2022.
- Thereafter, the bill will be read a number of times in parliament and if passed it will then be presented for signing by the President should it be adopted.

2. *Government of Zimbabwe's position on the PVO Bill under international law*

- During the United Nations Human Rights Council-led Universal Periodic Review (UPR) of Zimbabwe that took place in Geneva on 26 January 2022, the government maintained its mistaken justification of the introduction of the PVO Bill as a requirement for government to respond to its obligations under FATF recommendations 8.
- During the interactive dialogue session of the UPR, the government of Zimbabwe was implored by other United Nations member states to ensure that the PVO Bill amendments did not violate its international human rights obligations. In response the Minister of Justice Legal Parliamentary Affairs again justified the proposed amendments as a way to comply with FATF recommendations.

Fostering a Culture Of Human Rights in Zimbabwe

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As indicated in our earlier letter, we have analysed the PVO Amendment Bill and strongly believe that it is contrary to international human rights and Financial Action Task Force (FATF) standards. If passed into law, these amendments will have far-reaching implications for the human rights, humanitarian, and development sectors, and will result in the closing down of civic space.

Zimbabwe already has an adequate regulatory framework of laws relating to money-laundering and counter-terrorism, which can easily be applied to the sector. This framework includes;

- i) Criminal Law (Codification and Reform) Act [Chapter 9:23], which has penalties for acts of terrorism within the country,
- ii) Suppression of Foreign and International Terrorism Act [Chapter 11:21],
- iii) Bank Use Promotion and Suppression of Money Laundering Act [Chapter 24:24],
- iv) The Criminal Procedure and Evidence Act [Chapter 9:07] and
- v) Money Laundering and Proceeds of Crime Act [Chapter 9:24].

2.1 In 2020 an amendment to the Money Laundering and Proceeds of Crime Act (MLPC Act) was gazetted. This law initially came into force in 2013 with the objective of suppressing the abuse of the financial system and to enable the unlawful proceeds of all serious crime and terrorist acts to be identified, traced, frozen, seized and eventually confiscated. The amendment focused on beneficial ownership and unexplained wealth orders. It is pertinent to note that this amendment was passed way after the re-rating of Zimbabwe by FATF in 2019.

2.2 Further the Financial Intelligence Unit as established by the MLPC Act, has the power to issue Directives in terms of section 4 of the Money Laundering and Proceeds of Crime Act. These Directives are issued when necessary or convenient for the better administration and implementation of the Money Laundering & Proceeds of Crime Act and the Bank Use Promotion and Suppression of Money Laundering Act.

In light of these laws, there is no need for further (over)regulation through the PVO Bill. We are of the considered view that FATF should implore the government to withdraw this Bill. Further we call upon your good office to reiterate to govt that legislation is not the solution. A proper, consultative sector risk assessment, outreach and other measures are necessary as stated in our letter dated 19 January 2022.

We also understand that the objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. We hereby request, given the recent developments and the threats and far reaching impact to democratic space in Zimbabwe, that your team urgently engages the relevant authorities and further guides them on the nature of interventions expected of them, for Zimbabwe to effectively implement legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system, without necessarily undermining the democratic space and contributing to over-regulation of the not-for-profit sector in Zimbabwe.

We thank you in advance for your very urgent attention to this matter.

Yours sincerely,



Roselyn Hanzi

Executive Director

Zimbabwe Lawyers for Human Rights