



PRESS RELEASE

CLARIFICATION ON THE ROLE OF THE FINANCIAL INTELLIGENCE UNIT

The Financial Intelligence Unit (FIU) has noted with concern that some members of the public and media organizations have over the past few weeks misrepresented the role of the organization. The FIU would therefore like to make the following clarifications:

1. The Financial Intelligence Unit, under the Section 11 of the Money Laundering, Proceeds of Serious Crime and Terrorist Financing Act has a mandate *to receive disclosures of suspicious financial information from financial institution, analyze and disseminate the information as intelligence reports to Law Enforcement Agencies and Supervisors of financial institutions*. The disseminated intelligence reports produced by the FIU assist Law Enforcement Agencies to gather evidence which is then admissible in a court of law.
2. Malawi FIU is not mandated or set up to carry out investigations or prosecutions. It is *administrative in nature*, meaning that it does not investigate or prosecute, unlike other FIU models such as Investigative, Prosecutorial and Hybrid (a combination of two or more models). At the time the Money Laundering, Proceeds of Serious Crime and Terrorist Financing Act was passed in 2006 it was considered that an Administrative FIU was within the best interests of Malawi.
3. The Malawi FIU does not disclose information it receives to financial institutions, any public officer, members of the media or any other person in accordance with Section 17(3) of the Money Laundering, Proceeds of Serious Crimes and Terrorist Financing Act, which states that, *“The Director or an officer or employee or agent of the Financial Intelligence Unit shall not disclose any information that would directly or indirectly identify an individual who provided a report or information to the Financial Intelligence Unit or a person or an entity about whom a report or*

information was provided under this Act". Observance of this provision ensures that the FIU enjoys the trust of financial institutions, supervisors of financial institutions and Law Enforcement Agencies as well as the confidence of the public.

It is against this background that the Malawi FIU finds the story by *The Nation* newspaper of Thursday 26th September 2013 on alleged investigations by the FIU into K600 million payouts from Malawi Development Fund Account to be misleading. The Malawi FIU is not mandated to summon any person for questioning on any alleged suspicion or offence. Further, the FIU can neither confirm nor deny that it is analyzing the alleged case or any other cases.

4. The Malawi FIU appreciates that any alleged misappropriation of public funds is an issue of national concern, but also advocates for responsible media reporting to ensure that investigations and possible prosecutions are not hampered.

Information relating to the work of the FIU is publicly available on the organization's website, www.fiumalawi.gov.mw. Among others, the FIU produces Annual Reports, Money Laundering Typologies Reports, Newsletters and Magazines which contain information for public consumption.



Atuweni-tupochile Phiri

ACTING DIRECTOR

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