



EU AML/CFT  
GLOBAL FACILITY

# Malawi



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### Can you tell us about your role as Director of Compliance and Prevention for the country's financial authority?

As the Director of Compliance and Prevention, I work on ensuring that financial institutions and designated non-financial businesses and professions (DNFBPs) in Malawi are in compliance with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations. This includes **conducting supervision, providing guidance, raising awareness, and facilitating training for stakeholders and reporting institutions.** We also collaborate closely with the NGO Regulatory Authority, given the nature of their work, even though non-profit organisations (NPOs) are not categorised as accountable institutions under our AML/CTF laws.

### How did your focus on NPOs and their associated risks evolve, especially after the mutual evaluation report in 2019?

A: The focus on NPOs and their risks became more prominent after the 2019 MER, which found us non-compliant

mainly due to gaps in our legal framework and lack of awareness among NPOs. While we had conducted a national risk assessment (NRA) of the NPO sector in 2018, it was more general and didn't delve into specific vulnerabilities. **We realised the need to address these findings and take a closer look at which NPOs were more susceptible to money laundering and terrorist financing risks.**

**977** NPOs are registered in Malawi

### How are you working with NPOs to improve data collection?

As of today, there are 977 registered NPOs in Malawi according to the NGO Regulatory Authority's records. However, we acknowledge that there may be more operating in the country. To improve data collection, we have engaged with NPOs through focus group discussions, explaining the questionnaire, and giving them an opportunity to complete it. **We found that holding these focus groups was much more effective in obtaining responses compared to simply sending out the questionnaire.** We are also considering virtual platforms to engage with NPOs who may have limited access to the internet.

### What support are you receiving from the EU Global Facility?

We have set up a working group comprising the NGO Regulatory Authority, the Council for Non-Governmental Organizations, and

# Q&A

representatives from the NPO sector. The working group helps foster collaboration among organisations that typically do not work closely together.

The EU Global Facility has been instrumental in helping us through this process that aims to lead to the risk assessment (RA). They provided expert consultants and a methodology template for the RA questionnaire, which we tailored to our needs and field reality. **This support has made the process more manageable and helped us better understand how to approach it.**

by emails, NPOs were quite reluctant to engage with regulators. But, after these groups, they felt like we were allies and have shown great enthusiasm, with some NPOs reaching out to us asking to be part of the process. **We managed that thanks to the support of the EU GF and it has been a turning point for us.**

**Learning how to approach NPOs and how to engage with them matters.** Because, in the end, we need to work together for the good of our country.

“ Holding focus groups to speak directly with NPOs made a huge difference [...] they used to be reluctant to speak with regulators but now, they see us as allies. They want to be fully involved.

**What are some of the challenges you've encountered during this process, and how are you addressing them?**

Initially, we faced low response rates from NPOs (200 out of 977), which we addressed through focus group discussions. By inviting NPOs, and speaking to them directly, we were able to make them understand the process better, and its benefits for the sector. When we had just sent out questionnaires

**Q: What are your expectations and goals for the risk assessment of NPOs in Malawi?**

We aim to **increase awareness among NPOs and foster collaboration among stakeholders, regulators, and supervisors.** Ultimately, we hope that these efforts will help Malawi meet the recommendations outlined in the mutual evaluation report and enhance our AML/CTF efforts.



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