



BUSINESSBOTSWANA

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PRESS STATEMENT

TO: All media houses

FROM: Business Botswana President, Mr Gobusamang Keebine

DATE: 26th February 2019

SUBJECT: BOTSWANA'S GREY LISTING BY THE FINANCIAL ACTION TASK FORCE (FATF)

FOR IMMEDIATE RELEASE

Business Botswana expresses its very serious misgivings and concern in the recent announcement that Botswana has been **Grey listed by the Financial Action Task Force (FATF)** for non-compliance in anti-money-laundering efforts.

FATF is an inter-governmental body established to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing (FATF).

The grey listing will without doubt reverse the good efforts that have jointly been made by the Government of Botswana and Business Botswana to address the Doing Business environment which has been always a challenge.

It remains unclear how Botswana's placement on the grey list will turn out as there was minimum communication with the private sector on the matter.

In its scope and complexity, the impact on Botswana's economy could be relatively wide as it is linked with the international financial system.

This is a concerning move that comes at a juncture when our economy is making efforts to break through to a high-income economy. The private sector does not know how it will unfold, but one thing is clear; the response to it must be integrated and comprehensive, involving all stakeholders.

In addition to being a key economic concern, there are many channels through which this move will have a negative economic impact:

- 1) **International Financial markets:** Institutions which are linked with the international financial system will be affected e.g. Banks, Pension funds, stock markets. Foreign institutions will be mandated to carry out checking of transactions with Botswana, which is likely to delay transactions and business operations.

BUSINESS BOTSWANA OFFICERS:

G. Keebine (President), O. Merafhe (Vice President- South.), H. Nawa (Vice President- North), B.D.Phirie (Treasurer), N. Moleele (CEO)

- 2) **Trade:** Access to international markets through imports and exports could be a challenge, as some traders are likely to avoid trading with Botswana traders, hence reduce profitability of businesses.
- 3) **Investments:** Botswana will likely be less attractive to investors and lose them to other countries in the region if nothing is done. In addition, this matter will pose significant challenges for Botswana investors in international markets where some regulators will refuse to grant Botswana investors permission to invest in their markets.

What this implies amongst other things is that our **legislation towards dealing with fraud, corruption and money laundering is weak** thus rendering those institutions charged with the responsibility helpless to address such activities.

Furthermore, it brings to question the capability of the same institutions in fighting sophisticated crimes such as these. Such institutions need to be strengthened in many respects as a matter of urgency in order for the country to come out this.

Business Botswana calls upon the Government of Botswana to speed up the processes of promulgating appropriate legislation that would help reverse the negative status that the blacklisting has made to the country.

This is a stigma that Botswana cannot afford as a country.

Business Botswana is aware that there is a plethora of bills under consideration that should help remedy the situation; however our major concern is the speed at which the Government is moving in enacting the laws.

It is our joint responsibility as the private sector and public sector to work towards remedying the deficiencies identified by the FATF which have led to the country being grey listed.

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