

Turf battle hinders campaign against money laundering

The launch of a vital government project aimed at investigating and prosecuting financial crimes in Malawi has been stalled by a heated turf battle between state agencies. A **Daily Maverick** analysis notes that one consequence of the delay in Operation Kuluma is that a planned crackdown on the fraudulent externalisation of foreign exchange has suffered a setback. The report says this is a blow to the ruling Democratic Progressive Party (DPP) which is trying to plug financial holes occasioned by a donor freeze in the wake of the Cashgate scandal. The Reserve Bank of Malawi, the Malawi Revenue Authority, the Anti-Corruption Bureau, the Financial Intelligence Unit and the Malawi Police Service have been unable to append their signatures to a memorandum of understanding that will kick-start the operation. The memo relates to the investigation and prosecution of offences under the Money Laundering, Proceeds of Serious Crime and Terrorist Financing Act, the Exchange Control Act; the Customs and Excise Act; and the Penal Code of Malawi. The report notes that **a major hurdle is a planned review of the money laundering law**. A leaked memo from Reserve Bank governor Charles Chuka to the Solicitor General and Secretary for Justice Jane Banda dated 8 November shows that the FIU is stonewalling the legislative overhaul.