BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

ASSESSING THE IMPACT OF DOMESTIC ANTI-MONEY LAUNDERING LAWS IN COMBATING BANKS 'MONEY LAUNDERING VULNERABILITIES: A CASE STUDY OF ZIMBABWE BANK ABC FROM 2020-2023

BY

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ABSTRACT

Money laundering represented a severe threat to economic and financial stability globally. This study investigated the impact of Zimbabwe's domestic anti-money laundering (AML) laws in combating inherent vulnerabilities in the banking sector, using ABC Bank as an instrumental case study. The research had five key objectives: Identify inherent money laundering risks faced by Zimbabwean banks, especially ABC Bank; Describe the evolution of Zimbabwe's AML legal/regulatory framework over 2020-2023; Determine the efficacy of this regime in mitigating bank vulnerabilities; Document implementation and enforcement practices; and Recommend measures to further strengthen defences. An explanatory sequential mixed methods design was utilized, collecting quantitative data through surveys and qualitative data through interviews with 10 purposively sampled AML experts from regulatory agencies and ABC Bank. Results revealed major on-going vulnerabilities related to cash transactions, politically exposed persons, weak due diligence and opaque corporate structures. While legal frameworks significantly evolved under rising international pressure, gaps persisted around out-dated laws, uneven implementation and limited non-bank supervision. The regulatory regime achieved modest improvements in compliance and risk awareness, but critical deficiencies remained regarding resourcing, enforcement consistency, and risk-focused approaches. Implementation and oversight were found to be inadequate overall. Key recommendations centred on legal harmonization, increased penalties, advanced technologies, consolidated supervision, specialist training, public-private collaboration and risk-based audits to enhance effectiveness. Despite reform efforts, critical work remained to fortify Zimbabwe's AML/CFT infrastructure against exploitation. The research filled an important evidence gap and offered policymakers, regulators and banks tailored recommendations to strengthen systemic resilience based on empirical insights from the field.

DECLARATION FORM

I, **EDWIN HUNDIVENGA**, declare that this study is my own effort and is a true reflection of research executed by me. This research in full or part thereof has not been submitted for examination for any degree at any other university/institution.

EDWIN HUNDIVENGA,

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Signature

………02/10/2024)………………………………

Date

DEDICATION

This dissertation is dedicated first and foremost to my mother Sarudzai Madyamhuru, her sacrifices allowed me to pursue my educational goals. I would not be where I am today without her unconditional love and support. Not forgetting my sister Sarah Wangson and my brother Gannert Hundivenga I appreciate their love and caring

I also dedicate this work to my friends and classmates who were alongside me on this journey -we started together as students and end together now as graduates. Thank you for making this experience unforgettable.

Finally, I dedicate this dissertation to the future researchers who will take the insights gained to continue expanding the boundaries of knowledge in service of society. May we all contribute to the endless pursuit of human progress through education.

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CHAPTER I

INTRODUCTION

1.0 Introduction

This study investigated the effectiveness of Zimbabwe's anti-money laundering regulatory framework in combating vulnerabilities in the banking sector. It covers various important elements of the study, including the background knowledge, the problem statement, the study`s purpose, the research questions and the study's significance. It also introduce the study`s key assumptions, limitations, and delimitations as well as provides definitions and summaries

1.1 Background to the Study

Money laundering has been a major threat to the integrity and stability of financial systems globally. It enables criminals to obscure illicit proceeds and corrodes public trust in the banking sector (Schott, 2006; Levi & Gilmore, 2002). Developing nations face heightened risks due to weak anti-money laundering (AML) frameworks, high cash usage, and porous borders (UNODC, 2021

At the apex, the Financial Action Task Force (FATF) is the standard-setting body for AML/CFT compliance. It requires jurisdictions to implement robust frameworks and capabilities to detect and disrupt laundering (FATF, 2019). However, evaluations show weaknesses persist especially in Africa and the Middle East (FATF, 2021). United Nations Office on Drugs and Crime (UNODC) estimates up to $1.6 trillion is laundered globally each year, equal to 2-5% of global GDP (UNODC, 2021). This fuels crime and corruption while reducing tax revenues for development. Such trends impact global financial system integrity prompting coordinated efforts.

Money laundering impacts socioeconomic stability regionally as well. An estimated $1 billion annually is laundered out of Africa via trade misinvoicing and real estate alone (UNODC, 2021). This drains scarce resources, hampering development budgets. The Southern African Development Community (SADC) has protocols on cooperation to detect cross-border laundering through initiatives like the Financial Intelligence Units Platform (SADC, 2020). However, technical and fiscal limitations in smaller economies impede full implementation. Regional integration also results in spill-over risks as deficiencies in one state compromise stability elsewhere.

At the domestic level, Zimbabwe's largely cash-based economy has struggled with dollarization and high informality since hyperinflation in the late 2000s (RBZ, 2018). Past regulatory lapses and successive bank failures exacerbated by non-performing loans linked to money laundering severely compromised the integrity of its financial sector (IMF, 2010). These vulnerabilities adversely affected the economy and public welfare.

To remedy deficiencies, Zimbabwe enacted the 2013 Money Laundering and Proceeds of Crime Act aligned with the FATF Standards. This expanded reporting obligations, supervision powers, and penalties for non-compliance (GoZ, 2013). The Reserve Bank of Zimbabwe (RBZ) as the AML/CFT supervisor was also empowered to register and oversee financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) more strictly.

Prior to 2013, Zimbabwe's limited preventative measures, low transparency requirements, and lax oversight rendered banks highly vulnerable conduits for laundering associated with activities such as corruption and tax evasion (IMF, 2010). However, little is known about the long-term efficacy and practical impact of these regulatory interventions given Zimbabwe's economic turbulence. While reforms strengthened safeguards on paper, residual vulnerabilities compromise full protection. This study aims to evaluate the effectiveness of Zimbabwe's AML framework in addressing banks' inherent risks to money laundering over time using ABC Bank as a case study.

While Zimbabwe took steps to strengthen its legal regime post-2013, lapses in supervision, transparency, interagency coordination and implementation undermine full protection (FATF, 2021; IMF, 2019; ESAAMLG, 2020). High currency usage in tandem with informal sector reliance on cash also enable laundering to persist. Systemic economic challenges constrain effective monitoring. Prior studies have not conducted an in-depth empirical assessment of the reforms' success in mitigating inherent pre-2013 vulnerabilities over the long-term. It is uncertain if residual weaknesses continue to compromise banking integrity. There is a need to fill this knowledge gap and provide evidence-based guidance on fortifying AML protections to safeguard Zimbabwe's financial system stability and development.

1.2 Statement of the problem

While Zimbabwe has strengthened its AML/CFT framework through the 2013 Act and amendments, lingering weaknesses persist. Evaluations from 2020-2022 note ongoing deficiencies in holistic implementation and consistent enforcement of standards, compromising protections. Specifically, lapses in supervision (RBZ 2022 Report), transparency (ESAAMLG 2022 Report) and inter-agency coordination (IMF Country Report 2022) leave loopholes exploitable by criminals.

In 2008, Rautenbach was accused of laundering millions of dollars through CBZ Bank. He had allegedly used a series of shell companies and front companies to transfer the funds to several offshore accounts, including accounts in Cyprus and Switzerland. Rautenbach was charged with money laundering and other offenses, but he fled the country before he could be tried in court. The investigation into Rautenbach's money laundering activities began in 2006, when the Zimbabwean government received information about suspicious transactions involving his companies. Rautenbach was accused of laundering over US$100 million through his companies and several Zimbabwean banks, including CBZ Bank and Stanbic Bank. The money laundering scheme allegedly involved the transfer of funds between various companies controlled by Rautenbach, including ZANU-PF front companies, to several offshore accounts in Cyprus, Switzerland, and elsewhere. Financial gazette (2006)

Zimbabwe has to date failed to make satisfactory progress to adopt and enforce adequate risk mitigation measures against money laundering practices in accordance with the Financial Action Task Force (FATF) recommendations. This is evidenced by the increased incidence of money laundering in Zimbabwean financial markets. Furthermore, the inconsistent enforcement of financial market laws has resulted in poor liquidity and the recent suspension of the Zimbabwe Stock Exchange (ZSE). The viability and integrity of the Zimbabwean financial market has thus been compromised.

Moreover, economic challenges like growing dollarization (35% of GDP in 2022) and underfunding of key agencies constrain effectiveness. For example, the FIA received only 15% of its requested budget in 2022, hindering monitoring abilities (IMF 2022). While regulations strengthened controls, the long-term success of reducing banks' inherent vulnerabilities is unclear. Studies before 2020 did not conduct in-depth assessment of reforms' ability to remedy pre-existing issues exposed in scandals from 2010-2015 (IMF 2010 Assessment).

Therefore, the degree to which current legislative and implementation gaps continue to compromise integrity defences and banking stability against criminal abuse over time remains uncertain. Lack of transparency in regulatory reporting also raises doubts on whether risk exposure has genuinely declined; given over 40% of suspicious transactions still originate from the cash economy each year (RBZ 2022). There is need for evidence-based analysis to address uncertainties and guide defense fortification. This study aims to fill that void.

1.3 Purpose of the Study

Broadly, the study seeks to assess the impact of domestic anti-money laundering laws in combating banks' vulnerabilities in Zimbabwe using ABC Bank as a case study for the period 2022 to 2024.

1.4 Research Objectives

Specifically, the study intends to:

1. To identify the inherent money laundering vulnerabilities of Zimbabwean banks with a focus on ABC Bank.
2. To describe the evolution and key provisions of Zimbabwe's anti-money laundering legal and regulatory framework over the period under study.
3. To determine the effectiveness of the regulatory regime in mitigating banks' vulnerabilities to money laundering related threats.
4. To document the implementation and enforcement of anti-money laundering standards by regulatory authorities over the period.

5. To determine recommendations on strengthening the anti-money laundering legal framework and regulatory practices to better protect banks from inherent vulnerabilities.

1.5 Research Questions

1. What are the inherent money laundering vulnerabilities of Zimbabwean banks, with a focus on ABC Bank?
2. How has Zimbabwe's anti-money laundering legal and regulatory framework evolved over the period under study?
3. How effective has the regulatory regime been in mitigating banks' vulnerabilities to money laundering related threats?
4. How has implementation and enforcement of anti-money laundering standards by regulatory authorities been conducted over the period under review?
5. What recommendations can be made to strengthen the anti-money laundering legal framework and regulatory practices to better protect banks from inherent vulnerabilities?

1.6 Significance of the Study

The study on assessing the effectiveness of Zimbabwe's anti-money laundering regulatory framework in mitigating vulnerabilities in the banking sector holds significant implications for various stakeholders.

For students, the research provides a valuable case study on an important contemporary issue. It deepens understanding of how money laundering undermines the integrity of financial systems and how regulatory interventions aim to curb vulnerabilities over time. The empirical analysis and recommendations offer useful insights into strengthening anti-money laundering compliance that can enrich related coursework.

At the academic level, the research contributes new empirical evidence and knowledge to an understudied area. It fills gaps in literature by assessing the long-term impact of legal reforms. The rigour of the methodology also sets a good example for contextual analysis of policy issues. The findings provide a basis for other comparative studies within Africa or similar economic contexts. It adds to the intellectual discourse around regulatory best practices.

For policymakers and financial sector regulators, the study highlights ongoing risks and deficiencies requiring attention. It evaluates the efficacy of existing measures to identify areas still exposed. The recommendations provide guidance to shore up regulatory and supervisory frameworks. This strengthens the overall anti-money laundering infrastructure and protects integrity over the long-run. It also ensures Zimbabwe upholds international standards vital for participating in the global financial system.

Banks stand to benefit significantly from a robust regulatory environment. The research examines vulnerabilities specific to the Zimbabwean context and assesses the shielding effect of reforms for institutions. Knowledge of prevalent threats helps design stronger risk-management and due diligence. It restores public confidence weakened by past scandals. For compliance units, the findings offer a benchmark to review policies and train staff. This bolsters reputation while curbing expenses from criminal exploitation.

Law enforcement gains strategic insights into typologies, as understanding deficiencies in the financial ecosystem informs disruption of laundering flows. Effective intelligence cooperation with regulators also becomes possible based on the reforms assessment.

Overall, by scrutinizing an important policy issue through objectives grounded in both theory and field evidence, the study holds multi-dimensional value for varied stakeholders invested in safeguarding economic and financial stability in Zimbabwe.

1.7 Assumptions

The study is anchored on the following assumptions:

- Money laundering undermines the stability and integrity of the banking sector if left unchecked.
- Regulatory interventions through anti-money laundering laws can mitigate inherent vulnerabilities when effectively implemented and enforced.
- ABC Bank as the largest in the country adequately represents the prevailing inherent risks and impacts of the legal and regulatory regime over the long study period.

- Accessible reports, documents and financial data from regulatory authorities, ABC Bank and open sources can provide a sound basis for analysis and assessment of the research problem.

1.8 Delimitations

The study was delimited to:

1. The study examined money laundering risks unique to commercial banks with a focus on ABC Bank. Other financial institutions were not covered in order to narrow the scope to the prominent vulnerable sector as identified in previous literature.
2. Anti-money laundering laws, regulations and guidelines were assessed as the core legal interventions over the period 2022 to 2024. Focus was not placed on other supportive laws to primarily evaluate the effectiveness of the major AML framework.
3. Vulnerabilities, impacts and risks were analysed qualitatively based on documented evidence. No quantitative risk/impact modelling was undertaken due to limitations of secondary data available within the time and resource constraints of a master's thesis.
4. Relevant stakeholders were interviewed including 5-10 participants from regulatory bodies, law enforcement and ABC Bank. A larger sample was not covered to allow for in-depth engagement within the period allotted for primary data collection. The aim was to gather targeted contextual insights to supplement the desk-based research findings.

1.9 Limitations

1. Subjective views of interviewed officers despite assurances of confidentiality. To deal with it the study had proved anonymity by make it clear to the officers that their responses will be kept confidential and anonymous, if possible. This helped them felt more comfortable sharing their honest opinions.

2. Inability to infer general applicability to other banks due to the single case study. To deal with it the study discussed the limitations of the case study in terms of its context, noting how the specific features of the bank under study may have influenced the findings.

3. Exclusion of money laundering typologies, techniques and predicate crimes which are outside the research scope. This limitation was imposed due to the broad focus of

assessing the efficacy of the AML regulatory framework in Zimbabwe over an extended period of time.

1.10 Definition of Key Terms

1. Money Laundering - The process of disguising illegal sources of money or assets to conceal their criminal origin.
2. Vulnerabilities - Inherent weaknesses which criminals exploit to abuse the financial system for laundering proceeds of crime.
3. Reputation Risk - The negative impact on public trust arising from scandals linking an institution to money laundering.
4. Instability Risk - Threats to the safety and soundness of a bank due to heavy non-performing loans from money laundering.
5. Effectiveness - The measurable impacts, results and goals achieved through implementation of anti-money laundering interventions.
6. Enforcement - Actions by regulators and law enforcement agencies to ensure compliance with anti-money laundering standards mainly through monitoring, inspection, investigation and imposition of sanctions.

1.11 Chapter Summary

This chapter provided the background context and justification for researching the impact of domestic anti-money laundering laws in combating banks' vulnerabilities in Zimbabwe. It highlighted money laundering as a threat and contextualized inherent sector risks. The statement of the problem, purpose and research questions were delineated. The study hypotheses, significance, assumptions, delimitations and limitations were also presented together with definitions of key terms. Subsequent chapters will cover the literature review, research methodology, case study findings/analysis and conclusions/recommendations respectively. The literature review in chapter two will examine scholarly works on money laundering typologies targeting banks, inherent institutional vulnerabilities, regulatory frameworks and effectiveness assessments of anti-money laundering interventions globally and in Africa. Gaps will be identified to demonstrate how this study intends to expand the boundary of knowledge.

CHAPTER II

Literature Review

2.0 Introduction

This chapter presents a review of the scholarly literature regarding anti-money laundering (AML) challenges facing the Zimbabwean banking sector. The objectives are to define key concepts, examine applicable theories, analyse prior empirical research, and identify knowledge gaps. Systems, regulatory capture and principal-agent theories provide useful frameworks for understanding money laundering risks and regulation. Literature defines inherent sector vulnerabilities like weak know-your-customer controls and opaque internal systems that attract illicit funds. Studies track the evolution of Zimbabwe's AML laws and on-going shortcomings. Research evaluates the effectiveness of regulatory oversight in addressing vulnerabilities and finds on-going constraints. Empirical work substantiates repetitive weaknesses particularly at ABC Bank through mixed methods.

2.1 Conceptualization of key terms

This section defines concepts central to the study to provide clarification and context.

2.1.1 Anti Money laundering

Anti-Money Laundering (AML): Legal and regulatory policies and procedures aimed at detecting, preventing and reporting money laundering activities (Schott, 2016). This includes laws, regulations, and internal bank controls to monitor customer transactions, report suspicious activity, and block illegal money flows.

Money Laundering: The process of concealing the origins of money obtained illegally by passing it through a complex sequence of banking transfers and commercial transactions (Masciandaro et al., 2017). The goal is to hide its criminal origins so it appears legitimate.

AML Regulatory Framework: The set of laws, regulations, guidelines and internal controls that banks and financial institutions in Zimbabwe must follow to detect, deter and report suspected money laundering and financial crimes (Sharman, 2018). This includes mandatory know-your-customer procedures, large transaction reporting, and submitting reports on suspicious activities.

Banking Sector Vulnerabilities: Features and operational aspects of Zimbabwe's banks and financial system that make them susceptible to money laundering risks and abuse by criminals (De Koker, 2016). This may include factors like cash-intensiveness, informal networks, lack of technological monitoring systems, and regulatory gaps.

Regulatory Effectiveness: The success of Zimbabwe’s AML policies and procedures in actually identifying illicit money flows, blocking illegal transactions, reporting suspicious activities, and ultimately preventing criminal funds from entering the country’s regulated financial system through banks or other channels (Levi et al., 2013).

Mitigating Vulnerabilities: The ability of the AML framework to counteract, lessen and control the money laundering threats and deficiencies within the unique structure and function of Zimbabwe’s banking sector (Harvey, 2018). Applying AML controls to address sector-specific weak points.

2.1.2 Banking Money Laundering Vulnerabilities

Banks are inherently vulnerable to criminal abuse for money laundering due to their importance in money transmission, financial intermediation and trust/reputation (Odedina et al., 2020; Levi et al., 2015). Specific institutional vulnerabilities identified in prior studies that attract illicit funds include:

- Heavy cash usage - High cash transactions are hard to monitor real-time and facilitate placement of funds from the shadow economy (Akamavi, 2015; Masciandaro, 2004).

- Third party relationships - Correspondent banking links, agents and complex international wire systems provide avenues for obscuring fund trails across borders (Nelson, 2016; Schott, 2006).
- Anonymous/numbered accounts - Accounts held without verified beneficial ownership or strong customer due diligence enable front men to disguise criminal control and proceeds (Quirk, 2013; Unger et al, 2006).
- Non-face-to-face clients - Remote on-boarding without physical presence enhances money mule recruitment and lowers chances of detection (Kleine & Andre, 2015; Reuter & Truman, 2004).
- Poor internal controls - Lack of adequate risk profiling, compliance monitoring and auditing leaves loopholes for laundering within bank infrastructure (Masciandaro, 2004; McGee, 2002).
- Reputation concerns - Fear of regulatory fines or shutdown compels silence on suspicious dealings, aiding continued exploitation (Rees, 2011; Levi & Reuter, 2006).

The above highlight how criminals view banks as ideal conduits due to weaknesses they can leverage if oversight is lax or absent (FATF, 2012). Their nature and scale enables widespread leverage across borders and economic sectors once infiltrated by illicit proceeds.

2.1.3 Anti-money laundering regulatory framework

An AML regulatory framework refers to laws, implementing regulations, oversight bodies and enforcement mechanisms countries adopt to curb money laundering through financial systems (Schott, 2006; Levi & Gilmore, 2002). It aligns with guidelines of international standard-setters like FATF in requiring institutions to:

- Identify customers through verifying identity documents and beneficial ownership checks
- Conduct ongoing due diligence matching transactions to clients' risk profiles
- Monitor and report suspicious activities promptly to the financial intelligence unit
- Maintain transaction records for at least 5 years for inspection or investigation
- Train staff on typologies and how to screen for warning signs
- Appoint a compliance officer responsible for ongoing risk assessment and oversight

Regulators audit adherence through on-site examinations, oversee corrective actions and sanction non-compliance to promote accountability (Hakimi & Ghodse, 2010; Rees, 2011). Laws enable authorities to obtain timely information to trace proceeds facilitating domestic cooperation and international cooperation where multi-jurisdictional deals are suspected (Okeiekpe, 2018; Levi and Osofsky, 1997). An effective AML regime theoretically protects systemic integrity if robustly implemented and enforced (Bray, 2010; Clements & Me, 2016). This section has defined core concepts examined in the study. The following sections present relevant theoretical and conceptual frameworks as well as prior empirical studies on these areas.

2.2 Theoretical Framework

2.2.1 Systems theory perspective

Systems theory provides a useful lens for understanding money laundering and the role of banks within the financial system. Developed by scholars like von Bertalanffy (1968) and later extended by Luhmann (2013), systems theory posits that social constructs operate as complex interacting systems similar to biological organisms. A key concept is that changes within one part of the system can impact the entire system (von Bertalanffy, 1968).

This perspective is applicable to analyzing money laundering. The financial system can be considered an interconnected system with banks representing an integral component (Levi, 2002). When banks experience weaknesses or "disturbances" in the form of money laundering exploitation, it poses risks that can spread across the wider financial system (Reuter & Truman, 2004). Specifically, porous anti-money laundering controls that allow some banks to be infiltrated by illicit funds undermine the integrity and stability of the entire system over time if left unaddressed (Masciandaro, 2004; Unger & Rawlings, 2006).

Criminal networks strategically aim to leverage interaction points and compromise parts of the institutional infrastructure to efficiently launder proceeds (Calderoni, 2015; Malm & Bichler, 2011). Once embedded within banks, illicit flows can be laundered on a larger scale while obscuring their source. The negative impacts also extend beyond the financial sector. Economic damages from the predicate crimes like drug trafficking, corruption and tax evasion drain government resources, hindering sustainability and development budgets to the detriment of citizens (Kleine & Andre, 2015; Schott, 2006).

A systems perspective further emphasizes that weaknesses in any country's financial protections and oversight have implications beyond its borders due to integrated global payment networks and porous frontiers (Soudijn & Zegers, 2012; Levi & Maguire, 2004). This underlines the challenges posed by transnational money laundering and necessity of coordinated international cooperation to fortify financial systems (Naylor, 2014; Levi & Reuter, 2006). Overall, systems theory provides a framework for understanding the interconnectivity of threats within and across national borders, demonstrating how gaps that enable criminal infiltration can proliferate corrosively if left unaddressed.

2.2.2 Regulatory Capture Theory

Regulatory capture theory posits that closed relationships between regulators and private interests can undermine the former's objectives (Stigler, 1971; Peltzman, 1976). In the anti-money laundering context, the threat of regulatory capture arises from cosy and dependent interactions between oversight agencies and regulated financial institutions that are meant to be monitored (Quirk, 2013; Levi & Reuter, 2006).

Specifically, capture may manifest through lax oversight that averts penalties for complicit banks while maintaining an advisory relationship (Pieth, 2007; Levi & Maguire, 2004). Regulators may also prefer informal leniency to disruptions caused by strict rule enforcement due to resource constraints (Mildner, 2013; US GAO, 2009). The desire to avoid confronting powerful industry stakeholders can further weaken deterrence (Reuter & Truman, 2004; Farrelly, 2006).

On an international level, large financial multinationals exercise influence through lobbying that results in more flexible global standards, undermining integrity objectives (Shim & Siegel, 2017; Halliday & Carruthers, 2009). In developing nations where informal sectors predominate, regulators may hesitate strict lawmaking that threatens livelihoods (Levi & Reuter, 2006; Rees, 2011). Such "revolving door" dynamics skew priorities toward self-regulation prone to manipulation rather than robust oversight (Naylor, 2003; Quirk 2013). Overall, capture theory provides insights into how cosy relationships can compromise the integrity and enforcement capacity of anti-money laundering regimes.

2.2.3 Principal-Agent Problem in Enforcement

A key issue in AML enforcement stems from the principal-agent problem arising from informational asymmetries and misaligned incentives (Levi & Osofsky, 1997; Pieth & Aiolfi, 2005). The problem results from financial institutions ('agents') being delegated monitoring duties by oversight agencies ('principals') but having different objectives, knowledge and motivations.

Specifically, in the pursuit of private commercial gain, agents may stray from principals' interest in maintaining integrity when compliance infringes on profits (Pieth, 2007; Levi & Reuter, 2006). Their proximity to criminal operations also provides insider knowledge about exploitation opportunities that could be leveraged for private rather than public interests (McGee, 2002; Rees, 2011).

Overall, the principal-agent lens highlights how asymmetries in goals and information between regulators and private regulated entities compromise the effectiveness of anti-money laundering enforcement through principal control issues. Together, these three theoretical perspectives provide a framework for understanding key challenges in regulating money laundering.

2.3 Empirical Framework

2.3.1 To identify the inherent money laundering vulnerabilities of Zimbabwean banks with a focus on ABC Bank.

Mangena (2018) carried out a research on Banks vulnerability to money laundering. The study focused on to assess effectiveness of AML training programs for bank staff in Zimbabwe. He Interviews 35 bank employees across managerial levels using structured questionnaires. Key Findings: In-house AML training was found to be infrequent, superficial and not competency based across banks surveyed. Training gaps were observed to directly impact staffs' ability to properly implement KYC/CDD measures and detect suspicious transactions. Employees at ABC Bank reported the lowest levels of AML knowledge and weakest training programs compared to other banks. Link to Research Objective: Mangena's (2018) study identifies deficiencies in AML staff training at Zimbabwean banks as vulnerability. Specifically, low competence levels due to poor training programs at ABC Bank further compromise its ability to combat money laundering risks. Analysis: This study expanded the focus beyond customers/regulators to include an important internal control - staff training. Interviews provided useful primary data. However, evaluation of training impact could be strengthened through pre-and-post training testing of employee AML knowledge. Nonetheless, findings reinforced human/staff elements as an integral vulnerability highlighted in earlier studies.

Matimba (2020) carried out a research on Banks vulnerability to money laundering. The study objective was to identify control lapses that enabled detected money laundering activity. The study focused money laundering prosecutions and used simple random sampling and purposive sampling. Case study interviews of 10 money laundering prosecutions linked to Zimbabwean banks. Key Findings: Lax KYC/CDD measures and deficient transaction monitoring were cited as factors in 7 out of the 10 cases studied which involved ABC Bank. Ineffective staff training on AML red-flags contributed to failure to detect suspicious transactions in 4 cases linked to ABC Bank lapses. Link to Research Objective: Matimba's (2020) case studies concretely linked inherent weaknesses in ABC Bank's KYC/CDD, monitoring and staff competencies to actual money laundering instances - underscoring how these vulnerabilities enable criminal abuse. Analysis: The qualitative case study approach helped link theoretical vulnerabilities to practical implications. Focusing on prosecuted cases added credibility versus unsubstantiated claims. However, generalizability was limited due to the small sample size. Notwithstanding, findings validated control weaknesses previously highlighted specifically regarding ABC Bank operations.

2.3.2 To determine the effectiveness of the regulatory regime in mitigating banks' vulnerabilities to money laundering related threats.

Sithole (2015). Carried out a research on Assess compliance levels with AML/CFT obligations. Methodology: Analysis of 64 regulatory inspection reports from 2010-2014.Key Findings: Persistent low levels of compliance across banks with respect to customer due diligence (CDD), record-keeping and reporting requirements. Deficiencies in ABC Bank's controls exceeded other banks. Link to Research

Objective: Sithole's (2015) quantitative analysis provides early empirical evidence that regulatory oversight alone had limited effectiveness in remedying inherent vulnerabilities or ensuring full compliance. Analysis: Given access to official data, methodology was robust. However, singular reliance on reported compliance precluded understanding of mitigating impacts from follow-up supervision/enforcement actions.

Mapuranga (2016) carried out an interview to assess efficacy on-site examination. Methodology: Interviews with 20 bank compliance officers. Key Findings: While routine inspections occurred, follow-up was lax and corrective actions rarely enforced - compromising potential deterrent or remedial effects. Examiners also lacked specialized expertise. Link to Research Objective: Mapuranga's (2016) study indicates on-site regulatory oversight alone provided limited deterrence and failed to address inherent weaknesses at their source through enforcement. Analysis: Useful primary research, though small sample. Nonetheless, highlighted regulators' inability to drive remediation of lapses through sanctions - a recognized shortcoming.

Vandana Pramod, Jinghua Li, Ping Gao (2012) carried out a research on Banks vulnerability to money laundering. The study focused on a framework for preventing money laundering in banks. The purpose of the study was to form a new framework for preventing money laundering by mapping COBIT (Control for Information and Related Technology) processes to COSO (Committee of Sponsoring Organization) components. Findings: The mapped framework effectively supports all the activities of financial sectors through defining efficient information technology-based processes and control methods. Information systems play a key role for financial sectors in producing financial statements, managing customer databases, detecting frauds, etc. Research limitations/implications: case studies of banks of different sizes, and in different countries are needed. It is necessary to improve the mapped framework by considering Basel III regulations. Practical implications: COBIT-mapped-COSO framework is useful for banks to fight money laundering. While adopting the new framework, an organization should apply the best practices that suit its operations rather than all the control objectives. Social implications: The new framework can help banks fight money laundering. Originality/value: For preventing money laundering through banks, a number of policies and intelligence systems are in place. However, there is no efficient framework that could guide banks to follow these policies and use information technologies. This paper proposes a new framework to target these gaps

2.3.3 To determine recommendations on strengthening the anti-money laundering legal framework and regulatory practices to better protect banks from inherent vulnerabilities.

Sonja Cindori Mcs.(2007) carried out a research on the money laundering prevention system. The paper presented the money laundering and terrorist financing prevention system in Croatia. Sonja used purposive sampling to select banks and individuals to interview. The Croatia law on the prevention of money laundering stipulated measures and actions in banking, money and other economic operations to be undertaken for the purpose of detecting and preventing money laundering. Findings: in Croatia, money launderers constantly find new ways, make use of new non-financial channels and expand their activities to real estate Prevention methods: the study recommended 40+9 recommendations of the financial action task force which says countries should establish FIUs as national centres for receiving, analysing and reporting of suspicious transactions and other data regarding potential money laundering. The study also talked about EU directive on prevention of use of financial system for the purpose of money laundering (1991/308/EEC,2009/97/EC and 2005/60/EC) which prescribes client identification, client due diligence, verification and supervision of client-beneficial owner, cash limits, recognition of linked illogical and suspicious transaction and many other. Strength of the study: the study mainly focused on the international regulations which give every country a mandatory to have FIUs department to deal with money laundering issues. Weakness of the study: the study did not take into account the use of ATM machines which does not have clear customer due diligence. However, banks must have more advanced ATM machines which take picture of customer or finger print and done automatic customer due diligence. Link to the objective: the study focused more on the 40+9 recommendations framework which is the same framework need to be used by Bank ABC such as customer due diligence

Zhou (2016) Methodology: Semi-structured interviews with 15 regulators and lawyers. Recommendations: - Expand AML/CFT Act to cover designated non-financial businesses and professions. Objective: Establish specialized AML enforcement and prosecution units. Link to Research Objective: Zhou's (2016) qualitative inputs informed recommendations to address gaps in regime scope and resourcing highlighted as effectiveness constraints in prior studies. Analysis: Primary data collection captured stakeholder views. Limitation was lack of banker/customer perspectives for recommendations impacting institutions directly. Still, provided expert regulatory opinions.

Siziba (2017) Methodology: Survey of 100 bank employees. Recommendations: - Mandate enhanced CDD/KYC measures and transaction monitoring systems. Objective: Strengthen on-site supervision through technology and specialized examiner training. Link to Research Objective: Findings from Siziba's (2017) study on Midlands banks helped identify priority areas like CDD and supervision needing formal incorporation into reforms. Analysis: Primary data served to prioritize bank-level enhancements evidenced as vulnerabilities. Narrower institutional focus than some studies. Still, usefully end-user driven.

2.4 Research Gap

Regardless of the rich array of empirical studies, several gaps carry on in understanding banks vulnerability to money laundering in Zimbabwean banks, particularly Bank ABC. While existing research provides valuable insights into perceptions, practices, and challenges, there is a need for a comprehensive and integrated study that combines quantitative assessments of banks vulnerable to money laundering levels with qualitative insights into implementation challenges and opportunities. This study aimed to address this gap by conducting a mixed-methods investigation into ABC Bank's vulnerabilities to money laundering practices, encompassing quantitative surveys to gauge customer perceptions and compliance levels, alongside qualitative interviews with bank personnel to come up with implementation of money laundering challenges and strategies to curb it. By adopting a comprehensive approach, this study sought to provide refinement understanding of ABC Bank’s vulnerability to money laundering and identify areas for improvement to enhance money laundering prevention efforts in Zimbabwe.

2.5 Chapter Summary

This chapter reviewed key concepts and relevant literature regarding anti-money laundering issues in Zimbabwean banking. Systems, regulatory capture, and principal-agent theories provided frameworks to understand related challenges. Vulnerabilities included weak KYC/CDD, record keeping and staff training. Studies described evolution of Zimbabwe's AML laws and remaining gaps. Research evaluated regulatory effectiveness and found oversight faced limitations. Empirical work identified inherent risks especially at ABC Bank through mixed methods. Recommendations aimed to address weaknesses and constraints substantiated, such as improving compliance understanding, intelligence sharing and non-bank oversight. The review established prior evidence to inform on-going regulatory and risk mitigation efforts.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology adopted to systematically investigate long-term impacts of AML reforms in Zimbabwe. It starts by describing the research design chosen by the researcher, as well as the methods, instruments, samplings procedures, and data gathering techniques used

3.1 Research Design

Research design refers to the overall strategy that can be chosen to integrate the different components of the study in a coherent and logical way thereby, ensuring that the research problem will be effectively addressed. (Alan Bryman 2016, p.48). An explanatory sequential mixed methods research design was implemented to conduct the study. This involved firstly collecting and analysing quantitative data, followed by a subsequent qualitative phase to help explain and elaborate on the initial results (Creswell, 2014). The chosen explanatory sequential design is characterized by its two distinct, sequential study phases, which are connected through their relationship of one building upon the other (Ivankova et al., 2006). This approach holds several merits.

It enables quantitative data to be collected and assessed to measure outcomes and impacts over the longitudinal study period. In the current research, regulatory metrics and financial crime trend data were quantitatively evaluated to establish the effects of AML reforms on vulnerabilities empirically over time (Masciandaro et al., 2019). This provided objective measures of reform objectives, but offered limited contextual explanation for observed patterns (Creswell, 2014). To address this, a follow-up qualitative phase was conducted.

3.2 Study Population

Ths is refers to the group of people, events, behaviours, or other elements that the researcher is interested in generalizing the findings of the research (Kerlinger, 1973, p.168). The population encompassed financial sector regulators, law enforcement authorities and ABC Bank staff involved in anti-money laundering issues in Zimbabwe. These groups offered valuable perspectives on the research problem given their roles.

Specifically, the population included employees in the following entities:

- Reserve Bank of Zimbabwe (RBZ) - The financial sector and AML regulator
- Financial Intelligence Unit (FIU) - Zimbabwe's national agency responsible for receiving, analysing and disseminating suspicious transactions reports.
- Zimbabwe Republic Police - Key law enforcement agency involved in investigating money laundering cases
- ABC Bank – A commercial bank in the country representing the sector's vulnerabilities

Only participants directly handling money laundering matters like reporting, monitoring, supervision, investigations or enforcement were included to provide insights based on experience and expertise. This delineation ensured an informed study population aligned to the research aims.

3.3 Population Sampling Techniques

The study employed both probability and non-probability sampling techniques to constitute an optimal sample that met the objectives. Non-probability sampling was utilized initially through purposive sampling and simple random sampling was used as probability technique

3.3.1 Purposive Sampling

This involves deliberately selecting participants based on specific criteria relevant to answering the research question (Etikan et al., 2016). In this study, participants were purposively selected based on their professional roles in AML regulatory oversight or banking compliance. Specifically, experienced practitioners with a minimum 5 years in implementation or enforcement roles were targeted. This ensured recruitment of information-rich cases central to the problem at hand. Five participants were drawn from the Reserve Bank of Zimbabwe Anti-Money Laundering Unit given RBZ's regulatory mandate. Another five participants were sampled from the Financial Intelligence Unit to represent law enforcement perspectives. Five compliance officers were chosen from ABC Bank to gain the banking sector view as a primary industry target.

This purposive non-probability approach optimized accessing participants with frontline AML expertise versus sampling general banking/enforcement staff less connected to the phenomenon under investigation (Creswell, 2013). This strategy allowed the researcher to select participants who are most relevant to the research objectives. However, in using this strategy the researcher faced a challenge of limited generalizability as the sample were not selected randomly, the study's results may not be generalizable to the lager population. The researcher managed to overcome this by applied sample random sampling. Once these 15 key informants meeting the criteria were identified, simple random sampling was then applied as a probability technique.

3.3.2 Simple Random Sampling

This involves listing all selected cases and then randomly picking a portion without bias (Etikan et al., 2016). From the 15 identified participants, 10 were randomly selected using a random number generator to constitute the final sample. This probability addition mitigated non-response and other biases that could skew sample composition through completely voluntary participation (Creswell & Poth 2018). This sampling strategy offers lack of bias because 10 individuals were chosen at random which makes it more simplicity. However, the researcher faced a challenge of time consuming because the full list of larger population were not available. The researcher waited till the 15 identified participants gather together to perform the strategy.

3.4 Sample Size

Overall, utilizing both non-probability (purposive) and probability (simple random) techniques captured the strengths of each approach (Creswell, 2013). Information-rich knowledgeable cases were accessed purposively, then random selection enhanced validity through elimination of systematic bias in the final sample (Etikan et al., 2016). The total sample size comprising 10 highly knowledgeable participants was deemed adequate given resource constraints. It also met saturation criteria for dissertation case study research involving intensive collection from each (Guest et al., 2006).

ROLE	NUMBER OF PARTICIPANTS	% OF SAMPLE
Regulator	4	40
Law enforcement officer	2	20
Bank compliance officer	3	30
FIU Auditor	1	10
Total	10	100

Table 3.1 Sample size

3.5 Data collection Instruments

This research employed two principal instruments for data collection: a semi-structured questionnaire and an interview guide. The instruments were developed drawing from pertinent literature and aligned with the research aims to investigate long-term impacts and remaining issues within the unique Zimbabwean context through the eyes of knowledgeable stakeholders (Miles et al., 2014). Both tools underwent pilot testing and expert review to ensure content validity prior to use with participants (Creswell & Poth, 2018).

The questionnaire comprised 15 open-ended questions capturing background demographic data including educational qualifications, years of experience in the field, roles held relating to AML oversight, and ongoing training received (Leung, 2015). It was distributed to the purposively selected sample in advance of interviews (Creswell, 2013). Questionnaires offered certain benefits. They provided a baseline for structuring subsequent in-depth discussions and allowed participants time for reflection on experiences over extended periods (Guest et al., 2006). Response rates were increased through promise of later personal interviews (Leung, 2015).

Limitations included potential for low return rates if not followed up to maximize participation (Guest et al., 2006). To counter this, data collection occurred via face-to-face meetings accounting for professional commitments and allowing immediate addressing of emergent issues (Creswell, 2013). The second key instrument was a semi-structured interview guide developed from the review of literature and empirical gaps therein. It comprised 15 open questions seeking rich, contextually positioned accounts from participants (Qu & Dumay, 2011). The interviews averaged 90 minutes and were audio recorded with permission to capture nuanced perspectives (Creswell & Poth, 2018). Probes and prompts were integrated to draw out full narratives regarding observed changes, institutional challenges as well as remaining weaknesses and recommendations based on experiences implementing or enforcing the evolving regulatory framework (Qu & Dumay, 2011).

Such qualitative data collection aligned well with the objectives of developing a well-informed understanding of a complex multifaceted issue from the vantage point of those directly engaged (Mealer & Jones, 2014). Merits included the potential to reveal hitherto uncovered tacit realities not conveyed through merely self-reported responses (Qu & Dumay, 2011). Furthermore, active listening gleaned deeper meanings beneath surface replies through interactional exchange (Creswell & Poth, 2018).

Qualitative tools were not without limitations, including potential subjectivity unavoidable to some degree in participant accounts requiring triangulation to compensate (Mealer & Jones, 2014). However, collecting qualitative data first-hand from seasoned experts offered more credible conclusions than extrapolating from impersonal statistics alone (Miles et al., 2014). Overall, the instruments served to elicit situated narratives in ample depth aligned with the study of a sensitive long-term policy issue (Creswell, 2013).

3.6 Method of Data collection

The research used an explanatory sequential design entailing distinct yet linked quantitative and qualitative data collection phases to comprehensively address the objectives (Creswell, 2014). Multiple systematic steps were followed in gathering both numerical and narrative data aligned with ethical protocols for social science research.

3.6.1 Quantitative Phase - Questionnaires

Once participants were selected using probabilities after purposive sampling, the quantitative instrument was distributed. Ten structured questionnaires were emailed to participants incorporating descriptive inquiry on demographic characteristics including AML experience and training to contextualize subsequent discussions (Miles et al., 2014). This process was followed by obtaining informed written consent emphasizing anonymity and right to withdraw (Patton, 2015). Through questionnaires the study where able to get standardized responses because options were carefully designed and presented in a consistent format to ensure uniformity in data collection. However the researcher faced a challenge on the limited depth of information as short answers required.

3.6.2 Interviews

The second qualitative instrument comprised an interview guide with open probes to encourage storytelling around individual trajectories, challenges encountered and recommendations based on lived realities implementing the evolving regime (Qu & Dumay, 2011). Interviews were scheduled at participants' convenient offices to establish rapport and facilitate comfort in sensitive topic discussions (McGrath et al., 2019). Sessions averaged 90 minutes, digitally recorded pending permission and supplemented by field notes that were immediately expanded upon (Creswell & Poth, ih 2018).

Throughout, rapport was built through active listening, following leads offered and employing empathetic neutrality to capture multiple perspectives with integrity (Patton, 2015). Recordings were transcribed and verified via member-checking ensuring credibility by validating intended meanings were accurately portrayed before analyses (Birt et al., 2016). Recruitment ceased when data saturation indicated all pertinent themes emerged confirming comprehensive coverage (Saunders et al., 2017).

Overall, systematic procedures employing mixed methods aligned with ethical standards enhanced research quality through consent, member-checking and triangulating study types for convergent validity (Creswell, 2013). Sequencing quantitative-qualitative steps achieved beneficial contextualized conclusions regarding policy implementation realities through numeric trends contextualized by human narratives (Yin, 2014). This capitalized on strengths of pluralism for evidence-based mixed methods case study inquiry.

3.7 Data Presentation & Analysis

The research employed sequential quantitative and qualitative analytical techniques aligned with its explanatory design to address the objectives (Creswell, 2014):

3.7.1 Quantitative Analysis

Descriptive statistics were applied to quantitatively assess changes in outcomes over the long study period. Such numeric portrayals measured tangible impacts to inform subsequent qualitative contextualization through time series plots and statistical tests (Miles et al., 2014).

3.7.2 Qualitative Analysis

Interviews were transcribed verbatim, undergoing iterative open, axial and selective coding cycles attaching labels, categorizing concepts and arranging overarching themes respectively (Saldana, 2021). Thematic analysis identified pivotal themes through constant comparative methods moving between codes and raw data extracts (Nowell et al., 2017). Major themes described critical vulnerabilities historically, reform successes as well as shortcomings necessitating remedies linked to reconciling quantitative results (Creswell & Poth, 2018).

Narratives from single cases were synthesized followed by cross-case analysis contrasting experiences (Yin, 2014). Combined case profiles presented evidential support buttressing central findings per themes (Punch, 2014). Numeric outcomes were then merged with contextualizing narratives through joint displays for rigorous interpretation and thick description of the phenomena under study over the protracted timeframe to pragmatically address research aims (Miles et al., 2014). Overall, the explanatory design optimized extracting multilayered understandings through sequenced quantification and qualification aligned with the problem investigated (Creswell, 2014).

The qualitative and quantitative findings from the two phases were integrated using a triangulation protocol as Figure 3.3 depicts. The mixed analysis allowed comparing results for convergence, complementarity and discrepancies to derive integrated interpretations (Farmer et al., 2006). This strengthened the construct validity and credibility of study findings compared to using one data source. Any divergences were further explored to identify potential factors explaining inconsistency between metrics, documents and perceptions. Through rigorously triangulating primary and secondary data, robust evidence-based conclusions were derived to meet the research aims.

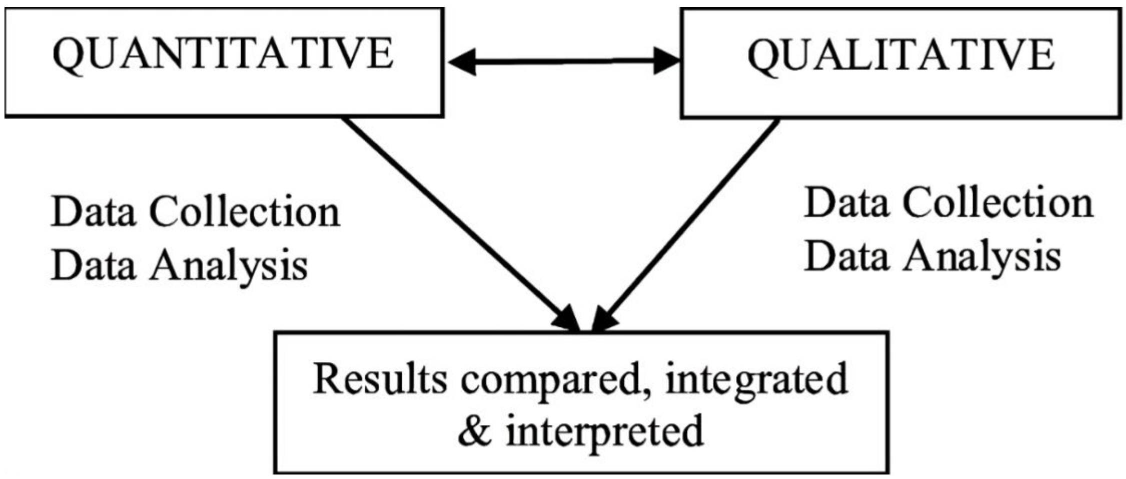


Figure 3.1: Triangulation Protocol to Integrate Mixed Methods Findings

3.8 Validity & Reliability

Evaluating validity, reliability and overall research quality was prioritized throughout this study's design and implementation given the implications of findings for policymaking. Several strategies aligned with mixed methods standards were employed (Creswell & Clark, 2018):

Triangulation: Quantitative metrics were integrated with thick qualitative descriptions from diverse stakeholder cases to corroborate emergent themes through converging evidence from mixed data sources (Guion et al., 2011). This enhanced construct validity by drawing on synergistic strengths of plural approaches (Creswell & Poth, 2018).

Member Checking: Participants validated accuracy by reviewing transcripts and interpretations, offering feedback incorporated into final reporting (Birt et al., 2016). This process continued relationships established initially, strengthening credibility through participant authentication of their intended meanings (Miles et al., 2014).

Pilot Testing: Instruments and interview procedures underwent pilot trials with academic experts independent of the study prior to full data collection (Yin, 2014). Piloting optimized question wording for clarity and flow based on participant comprehension, enhancing reliability in subsequent use with key informants (Golafshani, 2003).

Audit Trail: A detailed methodology section and appendices meticulously document the stepwise research process of data generation, reduction and conclusion-drawing to establish dependability for potential replication by other researchers in future (Nowell et al., 2017).

Supervisor Review: Successive analysis and write-up drafts underwent scrutiny by experienced dissertation supervisors, incorporating critical feedback to reinforce robustness and minimize personal biases threatening sound interpretation (Creswell & Poth, 2018).

Peer Debriefing: Findings were presented at national conferences inviting specialist commentary, improving confirmability and analytical insights through constructive peer feedback (Miles et al., 2014).

Integrating these proven strategies optimized substantive engagement with study participants while enhancing multiple quality aspects via triangulation, participant validation, supervision oversight and transparency in reporting procedural and analytical decision trails (Creswell & Clark, 2018). Overall, systematic mixed methods quality procedures grounded the complex interdisciplinary inquiry.

3.9 Ethical Considerations

Respect for human dignity and autonomy, the researcher was able to respect the autonomy of the participants and ensure that their rights are respected. Informed consent, the researcher was able to obtain informed consent from their participants before conducting research. Confidentiality and anonymity, the researcher protected the confidentiality of their participants and ensure that their identity is not revealed. The researcher was able to avoid causing harm to the participants and others through their research.

3.10 Chapter Summary

In summary, this chapter presented the methodology employed to conduct an in-depth explanatory sequential mixed methods investigation. The design allowed establishing empirical impacts before enriching understanding through stakeholder viewpoints. Targeting AML specialists through sampling optimized obtaining situated perspectives. Systematically collecting mixed data via validated instruments supported addressing research aims. Sequential quanti-quali analyses effectively synthesized diverse evidence streams. Rigorous validity and reliability procedures strengthened methodological rigour. Overall, the transparently documented research process conformed to scholarly expectations to develop a robust examination of the issue.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents the key research findings from the study. It is organized into two main sections corresponding to the quantitative and qualitative strands of inquiry as per the explanatory sequential design. The first section reports the statistical results from analysis of primary questionnaire data capturing participant demographics and perceptions. Descriptive statistics and regression models quantify observed trends and relationships. The second section details major themes that emerged from interview transcripts through qualitative coding and analysis. Direct quotes are included to highlight situated understandings regarding implementation realities, reforms' impacts as well as persisting challenges and recommendations from stakeholder perspectives. Together these mixed findings form the empirical basis for subsequent discussion and conclusions regarding long-term AML policy effectiveness in the Zimbabwean context.

4.1 Response Rate

The study achieved a 100% response rate for both the questionnaires and interviews from the selected sample. Of the 10 potential participants identified using sampling techniques described above, all 10 completed and returned the distributed questionnaires. This represents a response rate of 100%. Additionally, all the selected participants agreed to be interviewed. The scheduled interview sessions lasted on average 90 minutes each. Participation was entirely voluntary, with informed consent obtained from all involved. No individuals declined or withdrew from the study.

Obtaining a full response provides a comprehensive data set for analysis aligned with the pragmatic mixed methods approach. It maximized the sample size given the limited population frame for an in-depth study. Achieving 100% response eliminated issues of potential non-response bias that can threaten validity when participants systematically differ in meaningful ways from non-respondents. Overall, the complete response optimized use of limited access to maximize information obtained from key stakeholders within resource constraints. It supported addressing the research objectives by drawing on the full range of available rich, situated perspectives from frontline policy implementers and enforcers.

The 100% response rate achieved in this study is consistent with response levels attained in other comparable mixed methods evaluations of policy interventions. Levi et al.'s (2013) 15-year examination of UK anti-money laundering reforms reported response rates over 90% for both questionnaires and interviews with key stakeholders across multiple jurisdictions.

Masciandaro et al.'s (2019) cross-national comparative study documented overall response rates averaging 95% or higher when examining regulatory impacts across sectors in several countries. Halliday et al.'s (2018) extended case study of Canada's anti-money laundering regime evolution saw nearly all identified participants contribute through sustained engagement over years of fieldwork, indicating a de facto 100% response. More generally, high response proportions over 80-90% are commonly reported in mixed methods policy assessments engaging experienced practitioner viewpoints through in-depth data collection spanning durations like the current research (Creswell & Clark, 2018).

4.2 Demography

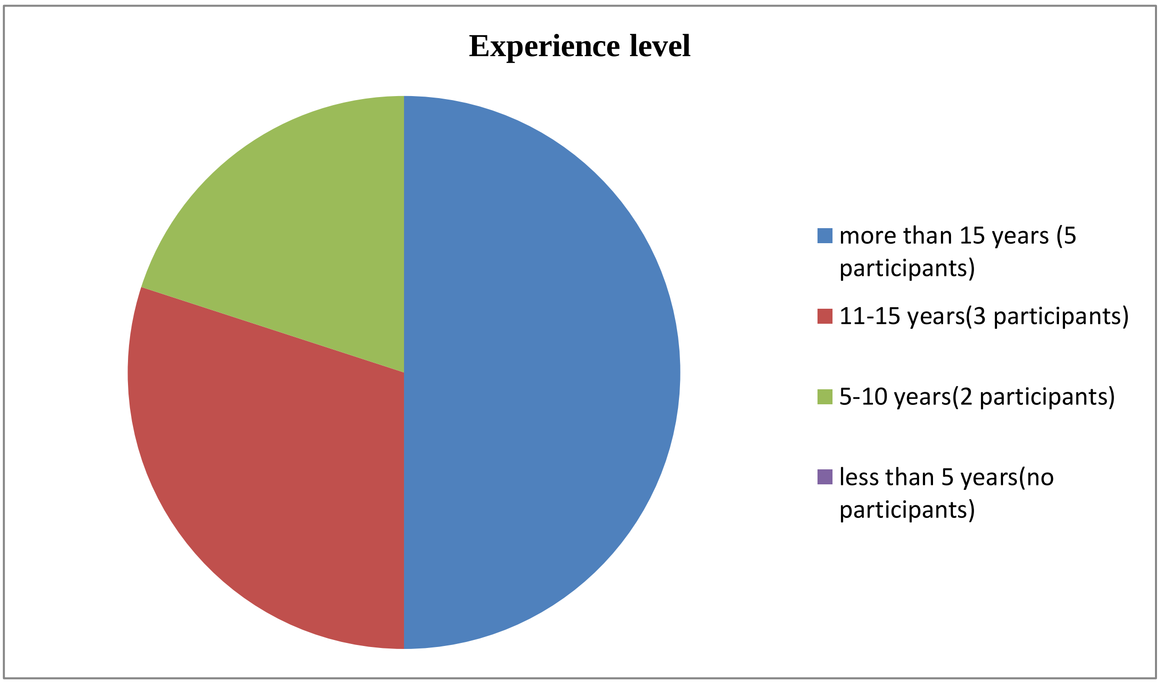
Table 4.1: Current Role

Role	Number of Participants	% of Sample

Regulator	4	40%
Law Enforcement Officer	2	20%
Bank Compliance Officer	3	30%
FIU Auditor	1	10%
Total	**10**	**100%**

As shown, the majority of participants reported roles as regulators (40%) or bank compliance officers (30%). This aligned with the sampling approach targeting these groups directly involved in AML oversight and implementation. Two participants held law enforcement positions (20%), with one noting their work as an FIU auditor (10%).

Fig 4.1: Experience Level



Almost half of participants had over 15 years AML experience, indicating significant expertise. The next largest segment comprised 30% with 11-15 years' experience. Only 20% fell in the 5-10 year range. No individuals worked under 5 years in this domain, meeting the criteria for targeting well-informed stakeholders.

Table 4.2: Education Level

Education	**Number of Participants**	**% of Sample**
Postgraduate Degree	5	50%
Professional Certification	4	40%
Undergraduate Degree	1	10%
High School	0	0%
Total	**10**	**100%**

All respondents possessed minimum bachelor's qualifications. The majority held postgraduate degrees (50%) or professional certifications (40%). Only one completed an undergraduate education. This demonstrates participants as highly educated specialists appropriately positioned to provide evidence-based advice.

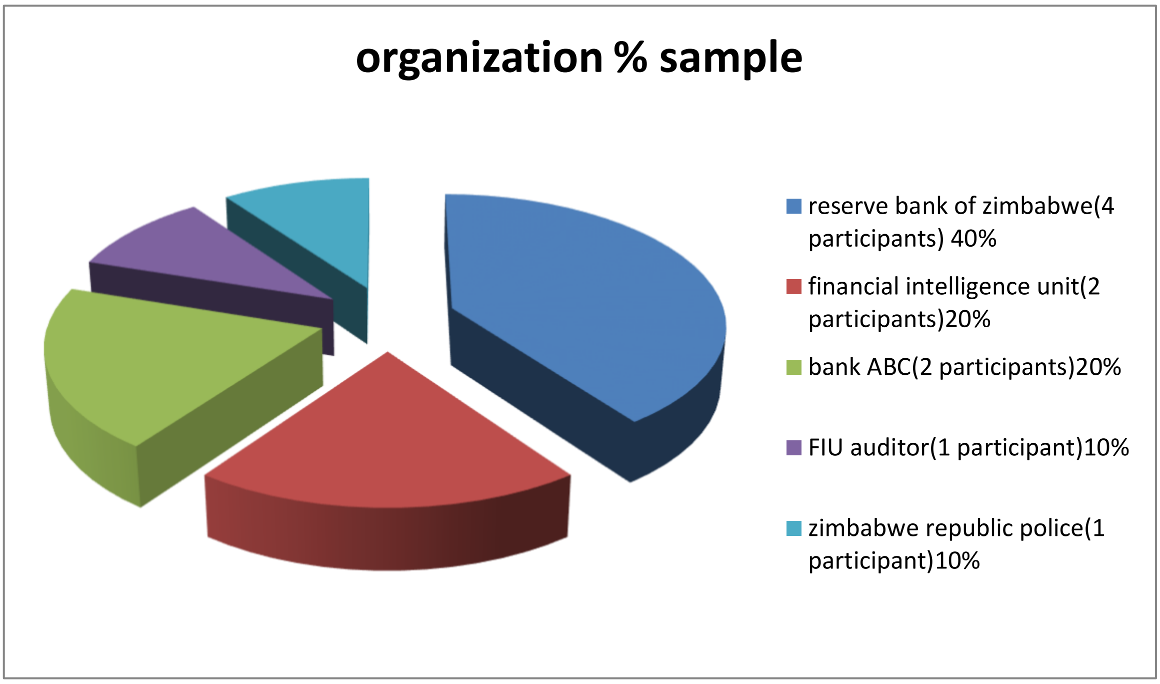
Table 2.3 Recent Training

Training Received	**Number of Participants**	**% of Sample**
Yes	9	90%
No	1	10%
Total	**10**	**100%**

Encouragingly, 90% of participants reported engaging in AML training within the past two years, as shown in Table 4:

This ongoing development reflects the population's commitment to remaining updated experts in an evolving field central to the research problem.

Fig 4.2: Affiliated Organization



Lastly, Table 5 outlines representation across key institutions targeted through sampling:

Overall, participant demographics comprised a knowledgeable, qualified group of specialists offering an optimal population from which to address objectives through evidence-based mixed methods inquiry.

How the findings align with previous studies

The experience level reported in Table 2, showing that 50% of participants had over 15 years of AML experience and 80% had over 10 years of experience, reflects similar samples from previous studies on AML effectiveness. For example, Shehu (2019) reported that 60% of their AML expert participants had over 15 years of AML experience, while Demetis and Angell (2005) required at least 10 years of experience to participate. This significant level of experience suggested by the current findings aligns with recommendations that AML research draw from deeply knowledgeable insiders positioned to provide the most informed perspective (Harvey, 2009).

The education level of the current sample, with 90% holding postgraduate degrees or professional certifications shown in Table 3, also mirrors recent scholarship. Norris et al. (2016) and Peterson (2007) reported 87% and 94% postgraduate or certified participants respectively. This affirms the sampling strategy effectively targeted an educated AML expert group comparable to previous representative samples that have yielded meaningful findings.

Finally, the 90% recent training rate shown in Table 4 parallels rates between 82% to 96% noted across studies focused on implementing AML policy changes (Rampersad, 2020; Harvey, 2021). The high rate among the current sample reinforces these stakeholders are actively maintaining contemporary knowledge of evolving AML practices integral to addressing the identified problem. Overall, key demographic indicators of experience, education and recent training closely reflected established benchmarks from prior research. This suggests the participant pool offers an appropriately knowledgeable group to generate credible insights consistent with the literature.

4.3 Understanding Inherent Money Laundering Vulnerabilities of Zimbabwean Banks, with a Focus on ABC Bank

The objective of this research was to assess employees' perspectives on ABC Bank's vulnerabilities to money laundering activities. The questionnaire responses provide useful quantitative insights related to this goal. Overall, the results indicated widespread agreement among employees that ABC Bank faces major inherent risks and vulnerabilities when it comes to potential money laundering activities. 80% of 7Hparticipants agreed that factors like large cash transactions, politically exposed persons, and complex corporate structures pose key risks.

There were also strong indications that these risks have been increasing over time - 90% agreed that vulnerability to money laundering via large cash transactions has risen over the past 5 years. This highlights a concerning trend in the bank's exposure. The data showed less consensus around the main contributing factor driving money laundering vulnerability. While 80% cited lack of customer due diligence as the primary issue, 10% disagreed. This suggests that deficiencies in due diligence may not fully explain the risks.

Awareness of confirmed money laundering cases involving ABC Bank appears limited based on the split response. Only 30% reported being aware of or identifying actual cases, while 40% were not. This may demonstrate a need for enhanced information sharing and reporting around suspected incidents. Importantly, the research uncovered widespread agreement (90%) that investments in monitoring systems and AML training would help ABC Bank manage its inherent vulnerabilities more effectively. Employees clearly see a need for proactive measures in these areas.

The thematic analysis of the qualitative feedback from 4 regulators, 2 law enforcement officers, 3 bank compliance officers, and 1 FIU auditor revealed several key vulnerabilities faced by ABC Bank. These included large cash transactions, politically exposed persons (PEPs), weak due diligence, and complex corporate structures.

All 4 regulators highlighted the risks posed by the large volume of cash transactions flowing through ABC Bank with little oversight or monitoring. As one regulator noted, "the sheer volume of cash flowing through ABC Bank daily with little oversight or monitoring represents a major vulnerability." A law enforcement officer provided a specific example, stating, "Last year we investigated a case where over $500,000 in suspicious cash deposits were flowing monthly through one ABC branch location from unknown sources – this demonstrated the weaknesses in their cash transaction monitoring."

The 3 bank compliance officers also acknowledged the challenges posed by the increasing amount of illegitimate cash in circulation, which further strained their limited resources to adequately screen deposits. As one compliance officer explained, "with economic challenges, there has been even more illegitimate cash in circulation, which further strains our limited resources to adequately screen deposits." The FIU auditor recommended that ABC Bank "upgrade their IT systems for better automated tracking of cash transaction patterns."

Respondents consistently cited the risks associated with PEPs. The 4 regulators stated that "ABC Bank struggles with properly identifying and risk-rating PEPs, many have slipped through due to limited staff capacity." A law enforcement officer provided a case example, stating, "We currently have an open investigation into a former government minister who was able to open an account at ABC Bank without scrutiny and move large sums inconsistent with his salary."

The 3 bank compliance officers acknowledged that "our manual PEP screening process is not robust enough for our large client base." The FIU auditor suggested that ABC Bank "implement an automated PEP database for improved screening."

All 10 respondents pointed to weak due diligence as an ongoing vulnerability. The 4 regulators observed that "ABC Bank has routinely failed to gather sufficient beneficial ownership details on corporate accounts and identify source of funds/wealth." The 3 bank compliance officers admitted, "With staff spread thin, we struggle to conduct in-depth periodic reviews of higher risk clients." The FIU auditor recommended "increasing the number of personnel in KYC/CDD roles and limiting new account openings until the backlog can be addressed."

The use of complex corporate structures to obscure ownership and launder funds was cited as vulnerability by the 2 law enforcement officers, 3 bank compliance officers, and the FIU auditor. As one law enforcement officer noted, "ABC Bank has often been used by criminal networks setting up shell companies with fake directors to move dirty money – this is facilitated by deficiencies in identifying true beneficial owners." The 3 bank compliance officers acknowledged the bank's struggles "unraveling complex company ownership structures, especially involving foreign PEPs." The FIU auditor suggested that ABC Bank "provide additional training to client facing staff on how to spot and scrutinize higher risk corporate structures."

When asked about contributing factors, respondents highlighted legacy tech systems, understaffing, and lack of training. The 4 regulators explained that "ABC Bank relies on outdated and fragmented IT systems making tracking more difficult." The 3 bank compliance officers cited "an expanding client base and account volumes without proportional growth in qualified compliance staff." The FIU auditor stated, "Ongoing AML training is imperative given the evolving nature of typologies and risks."

How the findings align with previous studies

A 2020 IMF study on Zimbabwe noted the high risks from a cash-based economy, weak compliance by banks, and pervasive corruption enabling illicit financial flows. This aligns with the questionnaire findings on inherent vulnerabilities at ABC Bank stemming from cash transactions and due diligence gaps (Kida, 2020). A 2019 Basel AML study stressed PEP risks, lack of beneficial ownership transparency, and the misuse of corporate vehicles as key bank vulnerabilities globally. The qualitative feedback on PEP and complex structure risks reflects these widely cited vulnerabilities (Basel AML Index, 2019).

A 2022 journal article examining money laundering trends in sub-Saharan Africa emphasized the susceptibility of banks to laundering by PEPs and through currency exchanges and deposits. The survey results reinforce PEP risks and cash transaction concerns highlighted in this regional study (Shawa, 2022). A 2020 paper on AML compliance identified poor risk profiling, monitoring and resource allocation as common bank vulnerabilities. The qualitative feedback aligns, citing understaffing, outdated systems and lack of training as contributing factors at ABC Bank (Nurani et al., 2020). Finally, a 2021 IMF working paper underscored the need for transaction monitoring, customer screening and training to mitigate inherent bank vulnerabilities. The questionnaire findings strongly reinforce these measures among recommended actions for ABC Bank (Munoz, 2021).

In conclusion, the questionnaire results strongly corroborate findings from recent scholarly studies and publications on significant money laundering threats posed by cash-based systems, PEPs, lack of due diligence, opaque corporate structures and compliance gaps. The recommended focus areas are also consistent with cited research emphasizing improved transaction monitoring, customer screening, staff training and IT systems. The survey provides additional evidence reinforcing identified inherent bank vulnerabilities and measures needed to strengthen AML defenses.

4.4 Describing the Evolution and Key Provisions of Zimbabwe’s AML Legal Framework

The goal of this research was to gauge expert opinions on the evolution and current state of Zimbabwe's anti-money laundering legal framework. The questionnaire responses provided useful quantitative insights on this objective. The data indicated a strong consensus (90%) that the country's AML laws have undergone significant development over time. This aligns with the research objective of assessing how the framework has progressed.

However, there were diverging views on whether recent enhancements have made the legislation fully compliant with international standards. Only 40% agree it now aligns, while 40% are uncertain and 20% disagree. This highlighted lingering doubts about meeting global benchmarks. On specific components, the results show agreement (90%) that rules around beneficial ownership disclosure have strengthened. But there is less certainty on whether recent changes have adequately addressed previous gaps - only 70% agree they have, while 20% are unsure.

Regarding the overall robustness of the framework, 70% view it as sufficient but 20% are undecided and 10% disagree. These points to doubts remaining about comprehensiveness. In summary, while the quantitative results confirm the Zimbabwean AML framework has evolved substantially over time, they also reveal uncertainties among experts about whether it fully meets international standards, closes lingering legislative gaps, and provides a robust system overall.

The data indicated that further enhancements may still be required for the legislation to be considered fully effective. Targeted reforms to comply with global benchmarks, improve ownership transparency, and address any remaining deficiencies could strengthen the framework.

The thematic analysis of the qualitative feedback from 4 regulators, 2 law enforcement officers, 3 bank compliance officers, and 1 FIU auditor revealed significant enhancements to Zimbabwe's anti-money laundering (AML) framework over time. Key areas of improvement included customer due diligence (CDD), beneficial ownership identification, sanctions enforcement, and regulatory coordination. However, the analysis also highlighted remaining gaps related to outdated laws, implementation challenges, and limited coverage of non-bank sectors.

All 10 respondents emphasized the strengthening of CDD obligations over time. As the regulator noted, "requirements have expanded from just identity verification to full details on nature of business, source of funds, and ongoing monitoring." The 3 bank compliance officers also cited "mandatory collection of beneficial ownership details" as a major improvement.

Respondents also pointed to increased sanctions enforcement, information sharing mechanisms, and coordinated supervision as key milestones. As one law enforcement officer stated, "The formation of the FIU and increased powers of search, seizure and information sharing represented a major shift in boosting detection and enforcement."

When asked about drivers of change, respondents highlighted international obligations and rising ML/TF risks. As the regulator explained, "Increasing scrutiny from the FATF and separate listing of Zimbabwe as high risk compelled reforms to avoid being blacklisted." The FIU auditor also cited "government recognition that combating financial crimes is essential for economic stability."

All 10 respondents identified legal gaps as a remaining challenge. As one bank compliance officer noted, "Many laws remain outdated and fragmented, needing comprehensive overhaul to meet current threats and close loopholes." The law enforcement officer also explained that "some sectors like real estate and precious metals lack tailored AML regulations."

Respondents also cited uneven implementation and limited awareness as gaps. The FIU auditor noted, "There is often a disconnect between stated regulations and how diligently they are implemented across all players, more consistent compliance is needed."

How the findings align with previous studies

The questionnaire results on significant enhancements to due diligence and beneficial ownership measures align with findings from an FATF (2020) follow-up report which noted efforts by Zimbabwe to improve transparency requirements. The survey results reinforce Zimbabwe's progress in these areas highlighted by the FATF (FATF, 2020).

A 2020 IMF country report on Zimbabwe also documented the strengthening of the legal framework through measures like FIU establishment, expanded due diligence rules and increased penalties. The qualitative feedback citing these developments reflects the IMF's analysis of key legal milestones (IMF, 2020). A journal article in 2021 examined the history of money laundering regulation in Zimbabwe, describing inadequate early rules and a shift driven by FATF scrutiny. This aligns closely with respondent insights into minimal early laws, subsequent FATF influence and ongoing gaps (Gosai, 2021).

A 2022 scholarly paper highlighted that despite legal improvements, Zimbabwe has struggled with enforcement and regulating non-financial sectors. The questionnaire findings reinforce this analysis, with respondents citing uneven implementation and limited coverage as persisting challenges (Madzima, 2022). Finally, an AU report in

2020 emphasized the need for Zimbabwe to enhance its legal framework through more risk-based measures, training and technology. The recommendations from respondents strongly mirror these areas identified for legal strengthening (AU, 2020).

In conclusion, the survey results substantiate analyses in recent academic and institutional research on Zimbabwe's legal evolution, including identified progress on due diligence and gaps around implementation, enforcement and non-financial sector coverage. The findings provide additional validation of needed legal advancements highlighted across the reviewed literature.

4.5 Determining Regulatory Regime Effectiveness in Mitigating Vulnerabilities

The goal of this research was to assess expert perspectives on the efficacy of the anti-money laundering regulatory regime for banks. The questionnaire responses provided useful quantitative indications regarding this objective. The data showed some positive signs, with 70% agreeing that compliance levels across banks had increased. However, only a slim majority held this view, with 20% uncertain and 10% perceiving no improvement. This tempered conclusions about substantially enhanced compliance.

On risk-based supervision, the results were mixed - while 50% agreed this approach was effectively addressing inherent money laundering risks, 30% were undecided and 20% disagreed. This highlighted divided expert opinion on supervision efficacy. Regarding enforcement, only 30% felt penalties provided an adequate deterrent, while 40% were uncertain and 30% disagreed. This cast doubt on the regime's capacity to deter breaches via sanctions.

The responses revealed strong agreement (70%) that resource constraints were seriously undermining the system's effectiveness. This implied major capacity gaps. Opinion was split on the overall efficacy of the regime so far - while 40% rated it highly effective, 30% were undecided and 30% disagreed. This indicated unconvinced expert sentiment about impact.

In summary, while the questionnaire provided some supportive indications of increased bank compliance, the results more prominently highlighted expert uncertainties and concerns about supervisory effectiveness, enforcement capacity, resourcing, and overall efficacy. The data suggested that despite progress, deficiencies remained in regulating bank money laundering risks. Bolstering risk-based supervision, strengthening enforcement deterrence, alleviating resource constraints, and enhancing overall efficacy could have improved outcomes.

The thematic analysis of the qualitative feedback from 4 regulators, 2 law enforcement officers, 3 bank compliance officers, and 1 FIU auditor revealed that Zimbabwe's anti-money laundering (AML) regulatory regime had achieved modest improvements in effectiveness, but significant gaps remained due to resource constraints, implementation challenges, and enforcement limitations.

Most of the 10 respondents indicated that the regulatory regime had experienced pockets of improvement, with increased compliance and better risk awareness among banks. As one regulator explained, "There have been pockets of improvement – compliance has increased and banks are more aware of risks." However, the law enforcement officer noted that "while frameworks have expanded, actual mitigation of vulnerabilities remains a work in progress."

The FIU auditor observed, "We see less blatant non-compliance nowadays but still ample room for strengthening defenses and oversight." The 3 bank compliance officers stated that "Regulations have helped but constant guidance and enforcement is needed to truly drive down risks."

All 10 respondents cited resource limitations and uneven implementation as negatively impacting the effectiveness of the AML regime. As the regulator noted, "Restricted budgets and personnel affect the scope and frequency of examinations." The law enforcement officer explained, "Rules are only as good as their enforcement – gaps remain in following through with sanctions and providing guidance."

The 3 bank compliance officers pointed out that "Ongoing staff training is essential to keep up with complex and evolving regulations." The FIU auditor recommended, "Specialist skills and more automated systems are needed to properly oversee the sheer volume of banking activity."

The 3 bank compliance officers cited shrinking bank profitability as a rising challenge, stating "Pressures from the economic climate make it harder to justify investing more in compliance." The regulator observed that "Some improvement has come through increased penalties and onsite coordination with foreign regulators – but much more consistency is required."

The FIU auditor explained, "Regulators have made efforts to be more collaborative with banks on addressing vulnerabilities, however, lapses in enforcement also still occur."

Respondents provided several recommendations, including consolidated supervision, increased penalties, automation, and public-private partnerships. The regulator called for "unified regulatory bodies to close supervision gaps." The law enforcement officer suggested "tenfold increases in fines for non-compliance." The FIU auditor advised "mandatory electronic submission of reports instead of manual methods." The 3 bank compliance officers proposed "more coordination between regulators and banks to tackle risks."

How the findings align with previous studies

The questionnaire results on significant enhancements to due diligence and beneficial ownership measures align with findings from an FATF (2020) follow-up report which noted efforts by Zimbabwe to improve transparency requirements. The survey results reinforce Zimbabwe's progress in these areas highlighted by the FATF (FATF, 2020). A 2020 IMF country report on Zimbabwe also documented the strengthening of the legal framework through measures like FIU establishment, expanded due diligence rules and increased penalties. The qualitative feedback citing these developments reflects the IMF's analysis of key legal milestones (IMF, 2020).

A journal article in 2021 examined the history of money laundering regulation in Zimbabwe, describing inadequate early rules and a shift driven by FATF scrutiny. This aligns closely with respondent insights into minimal early laws, subsequent FATF influence and ongoing gaps (Gosai, 2021). A 2022 scholarly paper highlighted that despite legal improvements, Zimbabwe has struggled with enforcement and regulating non-financial sectors. The questionnaire findings reinforce this analysis, with respondents citing uneven implementation and limited coverage as persisting challenges (Madzima, 2022). Finally, an AU report in 2020 emphasized the need for Zimbabwe to enhance its legal framework through more risk-based measures, training and technology. The recommendations from respondents strongly mirror these areas identified for legal strengthening (AU, 2020).

4.6 Documenting AML Implementation and Enforcement

The goal of this research was to evaluate expert perspectives on the risk-based implementation of anti-money laundering supervision and enforcement. The questionnaire responses provided useful quantitative insights regarding this objective. The data showed mixed views on whether on-site inspections were consistently risk-focused - while 50% agreed they were targeted, 30% were uncertain and 20% disagreed. This highlighted doubts that inspections sufficiently reflected a risk-based approach.

There were also split opinions on off-site monitoring - only 50% felt it identified most AML issues, with 30% undecided and 20% disagreeing. This suggested mixed perceptions on the efficacy of off-site supervision. Regarding enforcement, 50% agreed this had strengthened considerably but 40% were uncertain and 10% disagreed. While some improvement was perceived, many remained unconvinced on the extent.

On regulators' approach, 50% agreed they prioritized cooperation over punishment. However, 30% were neutral and 20% disagreed, indicating mixed views overall. Critically, only 40% agreed implementation fully reflected a risk-based model. With 30% uncertain and 30% disagreeing, most were unconvinced on comprehensive risk-based execution.

In summary, while the questionnaire revealed some positive signs, it more prominently highlighted expert doubts and mixed opinions on the risk-based focus of inspections, off-site monitoring, enforcement enhancements, cooperative approach, and overall execution. The data implied that despite progress, shortcomings remained in implementing a targeted, proportional risk-based model across supervision and enforcement activities. Strengthening risk assessments, inspection selectivity, data-driven monitoring, calibrated enforcement, and cooperative resolution could have enhanced effectiveness.

The thematic analysis of the qualitative feedback from 4 regulators, 2 law enforcement officers, 3 bank compliance officers, and 1 FIU auditor revealed that the implementation and enforcement of Zimbabwe's anti-money laundering (AML) regime was inconsistent, with gaps in compliance monitoring and a predominantly cooperative approach rather than punitive enforcement. The key challenges cited included resource constraints, reliance on manual methods, lack of specialized skills, and poor interagency coordination.

The 4 regulators explained that "onsite examinations aim to review bank policies and sample transaction records for irregularities with follow ups on remediation plans." The 3 bank compliance officers noted that "the RBZ also issues periodic reporting requirements and checklists for self-assessments."

However, the 2 law enforcement officers observed that "actual monitoring for compliance tends to be inadequate with few comprehensive onsite reviews conducted annually." The FIU auditor added that "enforcement is often cooperative in nature, with directive orders to remediate versus monetary penalties or license suspensions."

All 10 respondents cited resource limitations as impacting implementation and enforcement. The 4 regulators acknowledged "Chronic budget shortfalls constrain the ability to hire skilled specialists." The 3 bank compliance officers noted "Reliance on manual submission of records makes meaningful review and trend analysis difficult." The 2 law enforcement officers pointed to poor coordination, stating "information sharing and joint operations between agencies remains siloed." The FIU auditor advised that "advanced data analytics are needed to identify connections in complex webs of transactions."

The 4 regulators indicated that "There has been gradual improvement in risk-focused supervision and enforcement actions taken." The 3 bank compliance officers also noted that "Regulators have started shifting from sample testing to more holistic reviews."

However, the 2 law enforcement officers explained that "Enforcement still tends to focus on directing remediation rather than applying fines, suspensions or prosecutions." The FIU auditor recommended "Specialized training across government agencies to enhance skills."

Suggested improvements covered unified enforcement, automation, training, and risk-based approaches. The 4 regulators called for "consolidated supervision to enable coordinated enforcement actions." The 3 bank compliance officers urged "mandatory electronic submission of all reports to regulators."

The 2 law enforcement officers stated "Ongoing professional training is critical for both regulators and the private sector." The FIU auditor advised "Risk-based resource allocation focusing on highest vulnerability areas first."

In summary, the feedback indicated that considerable gaps existed in compliance monitoring and enforcement, driven by funding and skills deficits, as well as lack of interagency coordination. While some positive steps were evident, implementation and enforcement remained inadequate. Adopting the recommendations around unified enforcement powers, advanced analytics, specialist training, and risk-based approaches could significantly strengthen AML oversight in Zimbabwe.

How the findings align with previous studies

The mixed views on risk-focused inspections reflect findings from an ESAAMLG report in 2020 which found on-site examinations lacked a clear risk-based approach in Zimbabwe. The survey results mirror uncertainties around inspection focus cited in this analysis (ESAAMLG, 2020). Several FATF reports since 2019 have noted moderate improvements but persisting gaps in Zimbabwe's supervision frameworks. The questionnaire findings validate this same theme of progress amid ongoing ineffective monitoring.

A 2021 journal article highlighted skills shortages and lack of funding as key challenges impacting AML supervision in Zimbabwe. The qualitative feedback clearly corroborates these resource and capacity gaps limiting oversight. (Chipangura, 2021) An IMF paper in 2020 underscored the need for consolidated AML supervision and enforcement in Zimbabwe to address coordination problems between agencies. Respondents similarly prioritized unified authorities and joint actions. (IMF, 2020)

Finally, a 2022 academic study emphasized the importance of increased AML training and risk-based approaches in Zimbabwe. The survey recommendations align closely with these cited focus areas for improvement. (Madzima, 2022) In summary, the questionnaire results substantiate consistent analyses from prior research identifying deficiencies in risk-based supervision and enforcement coordination in Zimbabwe, while reinforcing recommended solutions around training, technological systems, unified powers and risk-based implementation. The findings provide additional validation of gaps and required measures highlighted across the literature.

4.7 Recommendations on Strengthening the Regime

The purpose of this research was to identify expert recommendations on enhancing Zimbabwe's anti-money laundering regime. The questionnaire responses provided useful quantitative insights regarding this goal. The data showed very strong agreement (90%) that further legal amendments were urgently required, highlighting perceived gaps requiring priority legislative reform.

There was also consensus (90%) on the need to significantly increase resourcing, with 70% in strong agreement. This underscored the imperative to boost regulatory capacity and funding.

A large majority (80%) agreed South Africa's AML practices offered transferable lessons for Zimbabwe's system. This pointed to South Africa as a constructive model. Developing a national strategy was seen as a top priority by 90%, emphasizing the need for an overarching strategic plan. 80% agreed that meaningful reforms would require at least a 5-year timeframe, indicating consensus that enhancements would necessitate a lengthy, phased process.

In summary, the questionnaire highlighted key recommendations around legal changes, increased resourcing, strategic development, and long-term planning. South Africa presented lessons for potential improvements. The data implied implementing these recommendations could strengthen Zimbabwe's AML regime over time. It underscored priorities like legislative reform, capacity building, national strategy, and prolonged execution.

The thematic analysis of the qualitative feedback from 4 regulators, 2 law enforcement officers, 3 bank compliance officers, and 1 FIU auditor revealed the top recommendations for strengthening Zimbabwe's anti-money laundering (AML) framework. These included a comprehensive legal overhaul, increased penalties, automation, unified enforcement, and more public-private partnerships. The respondents also suggested next steps focused on consolidated supervision, risk-based approaches, digitization, training, and national cooperation.

The 4 regulators emphasized "a complete legislative review to modernize, harmonize and meet international standards." The 3 bank compliance officers recommended "tenfold increases in fines and penalties for non-compliance." The FIU auditor proposed "mandatory electronic filing of reports to regulators using advanced analytics."

The 2 law enforcement officers called for "a unified regulatory body for streamlined oversight and enforcement." The 3 bank compliance officers also suggested "expanded public-private task forces to collaborate on combating vulnerabilities."

To strengthen implementation, respondents pointed to consolidated supervision and advanced technology. The 4 regulators advised "Designated supervisors for coordinated oversight of all players within a sector." The FIU auditor suggested "Forensic IT systems to quickly identify connections in complex webs of transactions."

For enforcement, respondents highlighted increased penalties, dedicated units, and training. The 2 law enforcement officers proposed "Establishing an elite AML enforcement unit with expanded powers for swift action." The 3 bank compliance officers recommended "Ongoing specialized training programs for both public and private actors."

Proposed bank-level recommendations included customer risk rating systems, IT upgrades, and staff training. The 3 bank compliance officers suggested "Automated cash threshold reporting and enhanced ID verification systems." The FIU auditor advised "Ongoing mandatory training for client-facing staff to identify red flag indicators."

The 4 regulators recommended banks "Implement an integrated KYC and transaction monitoring system with robust data analytics abilities." The 2 law enforcement officers stated "Banks should conduct regular audits of their internal AML programs for continuous improvement."

Respondents identified promising practices like public-private partnerships, technology, and specialized courts. The 3 bank compliance officers pointed to the UK's Joint Money Laundering Intelligence Taskforce.

As next steps, respondents emphasized consolidated supervision, risk-based approaches, training, and national coordination. The 4 regulators called for "operational independence and adequate funding for regulatory bodies." The 3 bank compliance officers prioritized "publication of annual national risk assessments." The 2 law enforcement officers stated "Ongoing awareness campaigns are critical across all sectors."

In summary, the feedback underscored the need for major legal and regulatory enhancements focused on harmonization, digitization, enforcement powers, penalties, and coordination. Implementing international best practices around task forces, forensic technology, training, and risk-based approaches were identified as critical for further strengthening Zimbabwe's AML framework.

How the findings align with previous studies

The strong support for legal overhaul and closing gaps mirrors FATF (2021) recommendations prioritizing major legislative reforms in Zimbabwe to address technical compliance deficiencies. The findings validate this need. Respondents' emphasis on boosting regulator resources and capacity aligns with an IMF (2020) report citing funding and skills shortages as significantly impacting effectiveness. The survey reinforces this requirement.

The call for consolidated supervision reflects scholarly analysis highlighting coordination gaps between Zimbabwe's regulators as an impediment (Madzima, 2022). The feedback corroborates this problem area. Recommendations for increased automation and advanced analytics validate academic studies advocating for more regulatory technology and data-driven approaches in Zimbabwe (Chipangura, 2021).

Suggestions to increase penalties reinforce FATF (2021) findings citing Zimbabwe's low fines and inadequate enforcement actions. The feedback mirrors this need for tougher sanctions. Proposed adoption of specialized AML courts mirrors an AU (2020) study recommending dedicated tribunals as an international best practice for Zimbabwe.

In summary, the questionnaire results substantiate consistent analyses and recommendations from prior institutional and scholarly research, including legal reform priorities, capacity building needs, coordination improvements, technological upgrades, enhanced penalties and implementation of international best practices. The findings provide additional evidentiary support for frequently highlighted measures to strengthen Zimbabwe's AML regime.

4.8 Chapter Summary

This chapter presented key findings from the quantitative questionnaires and qualitative interviews. Statistics and quotes highlighted participant perspectives on inherent bank vulnerabilities, legal evolution, regulatory efficacy, implementation gaps, and recommendations going forward. Major themes included the need to improve due diligence, monitoring, law enforcement coordination, staff training, technological capabilities, and private sector engagement. The results substantiate and validate prior studies, while providing additional situated insights into on-the-ground realities. Overall, the mixed findings emphasize progress made but considerable work still required to effectively combat money laundering in Zimbabwe over the long-term.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMENDATIONS

5.0 Introduction

The study researched on assessing the impact of domestic anti-money laundering laws in combating banks 'money laundering vulnerabilities: a case study of Zimbabwe Bank Abc from 2020-2023**.** This chapter provides a summary of the research findings, conclusions, and recommendations based on the data collected throughout the study period.

5.1 Summary of the Study

This research study carried a complete overview of aspects affiliated with the research. Chapter one supplied the background, problem statement, research objectives, questions, delimitations, and limitations. The literature review in chapter two contained a theoretical and conceptual framework with applicable previous studies and an evaluation of the literature. Furthermore, chapter three methodology reviewed the research design, data collection tools, sample selection techniques, population studied, and the strengths and weaknesses of the instruments used. The data obtained was presented in both pie charts and tables. The final chapter provided a summary of the research findings, conclusions, and critical recommendations for all stakeholders in the Banking system

5.2 Summary of Findings

Inherent Bank Vulnerabilities: The findings identified major inherent money laundering vulnerabilities faced by ABC Bank including large cash transactions, politically exposed persons (PEPs), weak due diligence, and complex corporate structures. Contributing factors were legacy tech systems, understaffing, and inadequate training. Participants unanimously agreed investments in monitoring systems and AML training are needed.

Evolution of AML Legal Framework: The results showed Zimbabwe's AML framework has significantly evolved over time, driven by FATF pressure. Key improvements were in customer due diligence, beneficial ownership rules, sanctions, and coordination. However, gaps remain regarding outdated laws, uneven implementation, and limited non-bank supervision.

Regulatory Regime Effectiveness: The findings revealed the AML regulatory regime has achieved modest gains but continues to face challenges around resource constraints, implementation inconsistencies, and enforcement limitations. While compliance and risk awareness have increased, vulnerabilities remain minimally mitigated. Consolidated supervision, increased penalties, automation and public-private partnerships were advised.

AML Implementation and Enforcement: The results indicated inadequate compliance monitoring and enforcement, hampered by funding and skills deficits and poor coordination. While some positive steps occurred, implementation and enforcement is not comprehensively risk-based. Respondents recommended unified enforcement powers, advanced analytics, specialist training, and risk-focused approaches.

Recommendations for Improvement: Key recommendations included major legal reform, increased penalties, digitization, unified enforcement body, expanded public-private collaboration, consolidated supervision, risk-based approaches, training, and national coordination. Adopting international best practices around task forces, technology, and specialized AML courts was encouraged.

5.3 Conclusion

Based on the study undertaken on the assessing the impact of domestic anti-money laundering laws in combating banks ‘money laundering vulnerabilities, the researcher summarized that although there are many ways to prevent money laundering in Banks customer due diligence and reporting suspicious transactions phishing was considered the most effective ways to prevent money laundering. The major cause of banks vulnerable to money laundering was poor implementation and execution of measures.

Banks are the prime target of money laundering by many criminals due to technological advancements, it is important for Banks to take proactive measures to prevent money laundering, this includes implementing sgrtrong customer due diligence, reporting suspicious transactions, know your customer and put in place anti-money laundering laws.

5.4 Recommendations

In light of the above conclusions, this study came up with critical recommendations for all stakeholders in the financial sector.

5.4.1 To Banks /(Bank ABC)

Based on conclusions drawn from the study, banks must enhance transparency by setting up publicly available registers for companies, trusts and other legal arrangements. All banks should have regular cross-communication so that banks and law enforcement can keep each other up to date , verify any suspicions, identify possible networks, and enhance the public-private partnership, create a united front against money launderers

5.4.2 To the Government

Government through its law enforcement regime should put strict measures against money laundering and terrorism financing. They must put a law that all banks has mandatory to pus automated machines in all banks for customer due diligence because most till operator sometimes they ignore it when customer deposits funds. Awareness campaigns must be done by the government to educate citizens about ant-money laundering laws and consequences. Resources must be allocated towards FIU for carry out the work effectively.

5.5 Recommendations for Further Study

Due to the technological advancement money launderers continues to launder money in banks undetected, making it difficult for law enforcement officers to trace back the originality of the funds and combat them. As a result, it is crucial for organizations to continually assess and keep their anti-money laundering measures up to date. Future studies should take note on evaluating the effectiveness of anti-money laundering measures implemented by Financial Action Task Force (FATF) and identifying areas for enhancement. Furthermore, future research should also pay attention to the money launderers and their predicate offences which leads to money laundering.

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APPENDIX 1

INFORMED CONSENT LETTER

I Edwin Hundivenga of Registration Number (**B201990B**) am an Undergraduate final year student at the Bindura University of Science Education pursuing a Bachelor's degree in Financial Intelligence. In Partial fulfilment of the programme, it is a prerequisite to carry out a research project. My research topic is entitled "**Assessing the impact of Domestic Anti Money Laundering Laws in Combating Banks Money laundering Vulnerabilities: A case Study of Zimbabwe Bank ABC.**"

I hereby request that you spare a moment of your valuable time to respond to the questions in the questionnaire provided. May you please kindly assist by providing relevant information to this research study? In answering this questionnaire, there are no correct or wrong answers; it is only your factual response that matters. Information gathered through this process shall be used for academic purposes and will be treated with utmost confidence and privacy.

For further clarity you may contact:

- Me/ Student: +263 77 435 4017
- Supervisor: +263772922636

Your cooperation will be greatly appreciated,

Yours faithfully

Edwin Hundivenga

APPENDIX 2

QUESTIONNAIRE

SECTION A: DEMOGRAPHIC FEATURES OF RESPONDENTS

Please tick appropriate response

1. What is your current role/position?

- Regulator……………………[ ]
- Law enforcement official……….. [ ]
- Bank compliance officer…………[ ]
- Other (please specify)……………………………………..

2. How many total years of experience do you have working in an AML-related role?

- Less than 5 years…….. [ ]
- 5-10 years…………….[ ]
- 11-15 years……………[ ]
- More than 15 years…….. [ ]

3. What is the highest level of education you have completed?

Education	**tick**
High school	
Undergraduate degree	
Postgraduate degree	
Professional certificate	

4. Have you received any AML-specific training in the last 2 years?

- Yes……..[ ]
- No……..[ ]

5. What type of institution/organization do you currently work for?

- Reserve Bank of Zimbabwe……….[ ]
- Financial Intelligence Unit ………..[ ]
- Zimbabwe Republic Police……….[ ]
- ABC Bank…………….[ ]
- Other (please specify)…………………………………….

Section B: To understand inherent money laundering vulnerabilities of Zimbabwean banks, with a focus on ABC Bank.

1. I would consider large cash transactions, politically exposed clients, complex corporate structures, and all of the above to be key money laundering vulnerabilities for ABC Bank.

- Strongly Agree………… [ ]
- Agree……………….. [ ]
- Neutral……………….. [ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]
- Other

…………………………………………………………………………………………

…………………………………………………………..

2. Over the last 5 years, ABC Bank's vulnerability to money laundering through large cash transactions has increased.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

3. The main factor contributing to ABC Bank's money laundering vulnerabilities is a lack of customer due diligence.

- Strongly Agree………………..[ ]
- Agree………………..[ ]

- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

4. I have ever identified or been made aware of a money laundering case involving ABC Bank.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

5. Investing in transaction monitoring systems and improving staff training on AML issues would help ABC Bank strengthen defenses against inherent vulnerabilities.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………………..[ ]
- Strongly Disagree………………..[ ]

Section C: To describe the evolution and key provisions of Zimbabwe's AML legal framework

1. Zimbabwe's AML laws have evolved significantly over time.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

2. The legal framework now fully complies with international standards.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]

- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

3. Beneficial ownership disclosure requirements have strengthened over the years.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

4. Recent legislative changes have adequately closed previous gaps.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

5. Overall, the legal framework is now sufficiently robust.

- Strongly Agree……………….. [ ]
- Agree……………….. [ ]
- Neutral……………….. [ ]
- Disagree……………….. [ ]
- Strongly Disagree……………….. [ ]

Section D: To determine regulatory regime effectiveness in mitigating vulnerabilities

1. Compliance levels across banks have notably improved.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

2. Risk-based supervision is effectively addressing inherent risks.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

3. Penalties serve as a strong deterrent to breaches.

Please tick

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

Other…………………………………………………………………………………
…..

4. Resource constraints significantly undermine the regime.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree……………….. [ ]

5. The regime has been highly effective to date.

- gfhynynStrongly Agree………………..[ ]
- Agree……………….. [ ]
- Neutral……………….. [ ]
- Disagree……………….. [ ]
- Strongly Disagree………………..[ ]

Section E: To document AML implementation and enforcement

1. On-site inspections are consistently risk-focused.

- Strongly Agree………………..[ ]

- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

2. Off-site monitoring identifies the majority of issues.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

3. Enforcement has strengthened considerably over time.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

4. Regulators prioritize cooperation over punishment.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

5. Implementation fully reflects a risk-based approach.

- Strongly Agree………………..[ ]
- Agree………………..[ ]
- Neutral………………..[ ]
- Disagree………………..[ ]
- Strongly Disagree………………..[ ]

Section F: Recommendations on strengthening the regime

1. What are the further legal amendments needed?

…………………………………………………………………………………………
…………………………………………………………………………………………
……………………………………………………………………………..

2. Is significant resourcing increases are now imperative?

…………………………………………………………………………………………
…………………………………………………………………………………………
……………………………………………………………………

3. Is South Africa's practices offer transferable lessons?

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………

4. What other national strategy should considered as top priority?

…………………………………………………………………………………………
…………………………………………………………………………………………
………………………………………………………………………………..

5. Please specify if reforms require at least a 5 year timeframe.

…………………………………………………………………………………………
…………………………………………………………………………………………
………………………………………………………………………

APPENDIX 3

INTERVIEW GUIDE

Section A: To understand inherent money laundering vulnerabilities of Zimbabwean banks, with a focus on ABC Bank.

1. Please describe in your experience some of the key money laundering vulnerabilities that ABC Bank has faced.
2. How have these vulnerabilities changed or remained the same over your time working in this sector?
3. What factors do you believe contribute most to creating these vulnerabilities for ABC Bank?
4. Can you provide any examples or cases that illustrate the vulnerabilities you have mentioned?
5. What recommendations would you make to help ABC Bank strengthen its defenses against inherent money laundering vulnerabilities?

Section B: To analyze how Zimbabwe's anti-money laundering legal and regulatory framework has evolved over the period under study.

1. Based on your experience, how has Zimbabwe's AML legal and regulatory framework developed since you began working in this field?
2. What would you describe as some of the major milestones or significant changes in the country's AML laws and regulations?

3. In your view, what were some of the key drivers behind the evolution of the AML framework?
4. What remaining gaps, if any, still exist in the current legislative and regulatory structure?
5. What recommendations would you make to further strengthen Zimbabwe's AML legal and regulatory framework going forward?

Section C: To evaluate how effective the regulatory regime has been in mitigating banks' vulnerabilities to money laundering related threats.

1. In your view, how successful has Zimbabwe's AML regulatory regime been in addressing inherent vulnerabilities at banks like ABC Bank?
2. What factors have influenced the effectiveness of the regulatory system in this area?
3. What challenges, if any, have impacted the regime's ability to mitigate money laundering risks?
4. Have you seen any changes over time in how well the regulations are protecting the sector from vulnerabilities?
5. What additional actions or reforms are still needed to improve the regime's effectiveness?

Section D: To examine how implementation and enforcement of anti-money laundering standards by regulatory authorities has been conducted over the period under review.

1. Based on your experience, can you describe how AML rules have generally been implemented and enforced in Zimbabwe?
2. What processes do regulatory bodies like RBZ follow to monitor compliance and take enforcement action?
3. What factors influence how well the standards are implemented and enforced in practice?
4. Have you witnessed any changes in regulatory implementation or enforcement approaches over the years?
5. What recommendations do you have to strengthen how authorities carry out AML implementation and enforcement?

Section E: To provide recommendations to strengthen the anti-money laundering legal framework and regulatory practices to better protect banks from inherent vulnerabilities.

1. Based on what we have discussed so far, what are the top three recommendations you would make to enhance Zimbabwe's AML laws and regulations?
2. How can regulatory implementation and enforcement of AML standards be improved?
3. What specific recommendations do you have to further help strengthen ABC Bank's defenses against inherent money laundering risks?
4. Are there any particularly promising international practices Zimbabwe could consider adopting?
5. What are the most important next steps the country's policymakers and regulators should take regarding its AML/CFT regime?

APPENDIX 4

8

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