

## The Democratic Republic of Congo

The Democratic Republic of Congo (DRC) is ostensibly a presidential democratic republic, although the weakness of the state and the government's lack of respect for legal niceties mean this description is questionable. The DRC is also the world's largest failed state and has been the site of some of the bloodiest wars in recent years. Continuing conflict in the DRC's east presents a major political challenge to a government already beset by weak tax revenues and lack of coherence. The challenge of building a state in the DRC is enormous.

The DRC's anti money laundering and countering the financing of terrorism (AML/CFT) controls are covered by three main pieces of legislation. These include the Anti-Money Laundering Act 2004, enacted in response to international pressure and in an effort to make the DRC a more attractive destination for foreign investment. The Act criminalised money laundering and the financing of terrorism.

Much of the legislation has lain dormant since it was passed and supervision has been extremely poor. A cash-based economy, poverty, inadequate training and a lack of political will have all contributed to this. A Financial Intelligence Unit to combat money laundering and misappropriation of public funds was established in October 2009. Its effectiveness is yet to be ascertained, although given DRC's track record expectations are not high.

Porous borders, a poorly regulated banking sector, a dysfunctional judicial system, and inadequate enforcement make the country extremely susceptible to money laundering. There are numerous opportunities for economic gain through the illicit trade of DRC's vast mineral resources. Years of fighting has exacerbated the cross-border trade in arms, drugs, diamonds and other illicit goods. Corruption at all levels of society is extensive and is accepted business practice.

Macro Basics		Regulatory Framework		Financial Environment		
GDP (US\$m)	11,668	BIS	No	Financial Sector assets US\$ bn	1.3	
Population (m)	64.2	IAIS	No	...as % of GDP	11	
GDP/Capita (US\$)	182	FATF/FSRB	No	Number of Banks	11	
Currency	CDF	FATF 40+9 FC	NA	..per 1,000 people	0.0002	
Literacy Rate %	67	FATF 40+9 PC	NA	Rate of Corporation Tax (%)	40	
Public Sector/GDP %	18	FATF 40+9 NC	NA	Avg govt salary (US\$)	14,894	
<b>Money Laundering Indicators</b>				<b>Low</b>	<b>Med</b>	<b>High</b>
Laundering Convictions				NA		
Informal Economy as % of GDP				NA		
Free trade zones				NA		

Estimated value of illegal drugs trade US\$m	NA
Corruption Rating ( Astra)	9
Organised Crime Rating (Astra)	8
Violent Crime Rating (Astra)	6
Ships reg per 1000 pop	0.0003
Registered Companies per 1000 pop	NA
Per Gram of Cocaine (US\$)	NA



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