



*Press Statement
For Immediate Release*

COURT CLARIFIES ON THE FINANCIAL INTELLIGENCE AUTHORITY'S POWERS TO ORDER FOR THE FREEZE OF BANK ACCOUNTS OF NGOs

(Kampala, Uganda / September 14, 2022) The Financial Intelligence Authority (FIA) has no power under the Anti-Terrorism Act, 2015 (as amended), to order the freeze of bank accounts of organisations in the absence of evidence leading to its satisfaction that organisations are financing terrorism activities, the High Court in Kampala ruled on 7 September 2022.

In the case of *Uganda Women's Network and The Uganda National NGO Forum v Financial Intelligence Authority and Attorney General (Miscellaneous Cause No. 23 of 2021)*, High Court Judge Hon. Justice Esta Nambayo determined that the freezing of bank accounts of the Uganda Women's Network (UWONET) and the Uganda National NGO Forum (UNNGOF) was "illegal, ultra vires and irregular".

Court further ruled that subsequent unfreezing of the accounts during the hearing does not make the matter to be overtaken by events in an application for judicial review because the application invites court to examine the procedure followed by the FIA and its legality.

In November 2020, the FIA instructed banks to freeze all accounts belonging to the two non-governmental organisations on grounds that it had received intelligence reports from national security agencies that the organisations were involved in terrorism financing activities.

Chapter Four Uganda provided strategic support to challenge the freeze in the High Court in Kampala on grounds that it was illegal, ultra vires, procedurally improper, irrational and therefore null and void.

During the hearing, the FIA did not produce any evidence that it claimed to have relied on to freeze the bank accounts. Court ruled that there must be proper basis or reasonable suspicion before the FIA can order for freeze of bank accounts and that the FIA "must be in position to present that information or circumstances to court, if called upon, for court to see that there was genuine cause for its actions".

Chapter Four Uganda welcomes the court decision. The ruling establishes an important precedent which clarifies the law in regard to the powers of the FIA and other government agencies to order for the freezing or restricting of financial transactions or properties of individuals in Uganda in matters relating to terrorism financing. We hope that the Court of Appeal will uphold the decision.

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