



# ANTI MONEY LAUNDERING UNIT

Annual Report 2008

## **Vision**

An efficient unit to combat money laundering operations, and a distinguished performance at both regional and international levels.

## **Mission**

To insure protection of the financial system and the community from money laundering operations risks and to mitigate their negative impacts on national economy through timely and accurately provision of the required information in coordination with the concerned parties.

## **Strategic objectives**

- 1- Development and activation of combating money laundering relevant national legislation.
- 2- Strengthening mechanisms of information exchange amongst the Unit and line bodies and maintaining their secrecy.
- 3- Developing and documentation of the required executive procedures to coordinate with financial and non financial reporting institutions.
- 4- Institutional and administrative capacity building for the Unit and relevant bodies.

## **Introduction**

Recent years have witnessed a broad concern in combating financial crimes in general, and corruption, money laundering and terrorism financing in particular. Given the growing consideration of the importance of this issue, many countries have adopted legislation and laws to combat financial crimes and in particular money laundering. The relevant Jordanian legislation was promulgated to regulate all aspects of combating money laundering and penalizing its perpetrators in line with the relevant international agreements and standards. In addition, in accordance with the law, the entity in charge of developing Jordan policies in combating and eradicating money laundering through drafting the required legislations and setting the foundations for the required collaboration and coordination. Also the institutional framework for an executive body that serves as a financial intelligence unit was established. This Unit will also serve as vocal point between financial institutions in risk of being exploited to execute money laundering operations through them, and competent law enforcement and judicial bodies. Establishing a safe financial and economic environment requires the existence of a systematic monitoring body capable of protecting the financial system, effective application of corporate governance and most importantly the rule of the law. Since rule of law is the base and launching point to achieve the comprehensive economic and social development. Jordan has, and still, picking the fruits of rule of law and democracy which has reflected on making Jordan an attractive investment and economic environment.

The Kingdom took the initiative by taking many actions to build an effective anti money laundering regime by signing and / or ratifying relevant international agreements, in addition to its participation in the establishment of the MENAFATF group which was headed by His Excellency the Governor of the Central Bank of Jordan in 2007.

# **Members of the National Anti Money Laundering Committee**

## **Chairman**

Governor of the Central Bank of Jordan

H. E. Dr. Umayya Toukan

## **Vice Chair**

Deputy Governor of the Central Bank of Jordan

H. E. Mrs. Kholoud Saqqaf

## **Member**

Secretary General of the Ministry of Justice

H. E. Judge Mohammad Al Ghazo

## **Member**

Secretary General of the Ministry of Interior

H. E. Mr. Mukhaimer Abu Jamous

## **Member**

Secretary General of the Ministry of Finance

H. E. Dr. Ezzeldeen Kanakriah

## **Member**

Secretary General of the Ministry of Social Development

H. E. Mr. Mohammad Khasawneh

## **Member**

Director General of Insurance Commission

H. E. Dr. Basel Al Hindawi

## **Member**

Companies Controller

H. E. Mr. Sabr Al Rawashdeh

## **Member**

Commissioner from Jordan Securities Commission

H. E. Dr. Abdel Razzaq Bani Hani

## **Member**

Chief of Anti Money Laundering Unit

Mr. Adnan Al Lahseh

## **National Anti Money Laundering Committee meetings during 2008**

National Anti Money Laundering Committee held a meeting on 5/2/2008 chaired by His Excellency the Governor of the Central Bank of Jordan/ the Chair of the Committee at the premises of the Central Bank, where the Committee adopted:

- 1- Forms of Suspicious Activity Reports (SARs) which will be used by the entities under the supervision of the Insurance Commission.
- 2- Forms of Suspicious Activity Reports (SARs) which will be used by Exchange businesses.
- 3- Forms of Suspicious Activity Reports (SARs) which will be used by real estate and development businesses.

National Anti Money Laundering Committee held a meeting on 6/5/2008 chaired by His Excellency the Governor of the Central Bank of Jordan / the Chair of the Committee at the premises of the Central Bank, where:

- 1- Head of the AMLU was assigned to review the Arab Strategy on combating money laundering and terrorism financing, to coordinate with the relevant competent bodies and to propose the appropriate recommendations to the National Committee.
- 2- The Committee has adopted the forms for Suspicious Activity Reports (SARs) of jewelries and precious metals businesses.
- 3- The Committee has adopted the AMLU's vision, mission and strategic objective statements.

National Anti Money Laundering Committee held a meeting on 7/8/2008 chaired by the Deputy Governor of the Central Bank/ the Committee's Vice Chair MRs Kholod Al Saqaf at the Central Bank premises, where the Vice Chair welcomed membership of the General Secretary of the Ministry of Social Development, Mr. Mohammad Al Khasawneh, to the Committee. The following issues were discussed during the meeting:

- AMLU drafted regulation.
- Cross borders declaration, where committee members reviewed the report of the team which was formulated from multi public line bodies, committee members agreed on the declaration form developed by the team, declaration threshold form cross borders cash barriers to

be set at (15000) JD's, given that implementation and any other procedures shall be decided upon in an earlier time.

- Libya's request to exceed MENAFATF membership, where the committee approved the request and assigned the head of AMLU to vote in favor of Libya's request during the meeting of the group's general assembly which will be held on November, 2008 in the UAE.

The National Anti Money Laundering Committee held a meeting on 23/9/2008 chaired by the Governor of the Central Bank, during which, the following proceedings took place:

- 1- Approval of the AMLU regulation after being subjected to some amendments.
- 2- Provision of a report on the Unit's achievements by the Unit's Head as well as demonstration of its efforts in areas of promoting awareness and local and international cooperation.

National Anti Money Laundering Committee held a meeting on 28/12/2008 chaired by the Deputy Governor of the Central Bank/ the Committee's Vice Chair Mrs. Kholoud Saqqaf at the Central Bank premises. The following issues were discussed during the meeting:

- 1- Presenting a report on the Units activities by the Unit Head to review the updates.
- 2- Presenting a brief summary of the MENAFATF Evaluation Team draft report.
- 3- A briefing on the main proceedings of the MENAFATF 8<sup>th</sup> meeting which was held in the UAE during the period 10-11/11/2008.

## **Anti Money Laundering Unit**

The AMLU carries out its mandates under the law by receiving Suspicious Activity Reports and taking the proper procedures towards them. The Unit also cooperates with all local institutions to set an integrated anti money laundering regime in the Kingdom.

### **Following are the most important activities of the Unit during 2008 in the area of Legislation:**

- 1- The National Committee regulation was developed and entered into effect after being published in the Official Gazette on 1/6/2008.
- 2- The AMLU regulation was developed and presented during the first meeting of the National Committee held after the National Committee regulation entered into effect.

### **In the area of receiving SARs:**

The Unit receives SARs from all reporting entities and carries out technical and financial analysis as well as requesting further information from local or international institutions if deemed necessary to perform its duties. When sufficient supporting information is available to prove the existence of a suspicious activity, the Unit prepares a report on such case and refers it to the General Prosecutor attached with available relevant documents.

This report includes statistics on the reports received by the Unit during 2008.

### **In the area of promoting awareness:**

- 1- The Unit launched its Arabic and English website to introduce the Anti Money Laundering Unit and the National Anti Money Laundering Committee for Combating Money Laundering as well as highlighting combating money laundering updates.
- 2- The Unit held a meeting with banks compliance officers to introduce the new version of the e-system for suspicious activity reporting.

- 3- The AMLU issued its first report for the period 18/7/2007 – 31/12/2007 demonstrating the statistics of the number of suspicious activity reports received through that period, number of convictions, forfeited or frozen properties and mutual legal assistance.
- 4- There was coordination with SABEQ Program to develop a booklet that contains copies of the Arabic and English versions of the law as well as awareness brochures in addition to vision, mission statements and strategic objectives of the Unit to be disseminated on customers of the financial institutions.

**In the area of local cooperation:**

- 1- The Unit cooperates with regulatory authorities entities on developing legislation required to combat money laundering and terrorism financing in line with the forty recommendations on combating money laundering and the nine special recommendations on combating terrorism financing issued by FATF. Recently, the Securities Commission issued instructions on combating money laundering within securities activities.
- 2- The Unit initiated cooperation with the Ministry of Industry and Commerce to develop specific instructions for financing leasing on combating money laundering. Those instructions were published in the official gazette on 16/10/2008 and entered into effect after thirty days of being published.
- 3- In the course of the implementation of provisions of article (30) of Anti Money Laundering Law, a cross borders cash declaration form was developed after consultations with a number of concerned parties. The Unit, in coordination with Customs Department, will set the proper mechanism and controls to apply the form.
- 4- An MOU was signed with the Central Bank to collaborate in areas of developing instructions and orders issued to the banks regarding combating money laundering and terrorism financing in accordance with the provisions of the law, codes of conduct and standards and best practices issued by local and international bodies in addition to developing evidences and indicators to detect financial activities related to money laundering and terrorism financing.



- 5- The Unit has signed an MOU with the Insurance Commission to determine cooperation mechanisms among both parties to accomplish requirements of anti money laundering law and any other relevant legislations, as well as activation and integration of the preventive measures undertaken in the area of combating money laundering.
- 6- The Unit also conducted a visit to the Department of Land and Survey to set the proper framework for cooperation, since the information available at the Department is considered as of significant importance and can assist the Unit in carrying out its duties. The Unit also conducted a visit to the Department of Civil Status and Passports, during which, the Unit was provided with a user name and password that allows it direct access to the Department's data base.

**In the area of international cooperation:**

- 1- The Unit hosted the MENAFATF Evaluation Team to the Kingdom, where (48) bodies related to combating money laundering and terrorism financing have been visited. It is expected to discuss the draft evaluation report in the ninth general assembly meeting of the Group on 5/2009.
- 2- The Unit has participated in the MENAFATF seventh and eighth general assembly meetings held in the UAE.
- 3- A number of Arab counterpart units expressed the desire to sign MOUs with the AMLU.
- 4- To continue working with sponsoring parties to exceed Egmont Group membership.

**In the area of staff training:**

The Unit staff has participated in many training courses in view to be introduced to the latest developments in combating money laundering. Most importantly, they participated in the following courses:

- 1- The regional conference on supporting the implementation of the UN Convention on Combating Corruption in the Arab Countries/ Indonesia.
- 2- The Canadian Experience in the Framework of Combating Money Laundering.

- 3- Information Technology for Financial Intelligence Units Workshop/ Lebanon.
- 4- Organizing Operations of Combating Financing of Terrorism/ USA.
- 5- Financial Information Units Workshop/ UAE.
- 6- FIU Cooperation. Exchange of Information and Egmont Group Membership Criteria workshop/ Austria.

**Other activities:**

- 1- The Unit received many forms of inquiries from international entities about anti money laundering regime in the Kingdom. The Unit fills out these forms after consultation with all relevant bodies to fill out the parts of their concern.
- 2- The Unit met with experts who provided studies on the technological structure that is required for the Unit.

## SARs Received by the Anti Money Laundering Unit During the Year 2008

Month	No. of SARs
January	5
February	16
March	3
April	5
May	1
June	13
July	20
August	29
September	18
October	54
November	17
December	14
<b>Total</b>	<b>195</b>

Entities	No. of SARs
Banks	190
Exchange Companies	3
Supervisory	2
<b>Total</b>	<b>195</b>

## **MENAFATF**

### **- The Seventh General Meeting (Abu Dhabi 7-9 April 2008):**

His Excellency Sultan Bin Salem, Governor of the UAE Central Bank, Head of the UAE National Committee on Combating Money Laundering opened the Seventh General Meeting of the Group on Monday 7 April, 2008. Mr. Abdel Rahim Mohammad Al Awadhi, Head of MENAFATF Assistant Executive Director and Head of the UAE Anti Money Laundering and Suspicious Cases Unit, the Groups Chairmanship speech, where he presented the Group's achievements over the previous three years and the future vision its activities.

Delegates from the following member countries attended the General Meeting activities: Jordan, the United Arab Emirates, Bahrain, Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Oman, Qatar, Kuwait, Lebanon, Egypt, Morocco, Mauritania and Yemen.

Representatives from the following countries, organizations and regional and international institutions participated as observers: Palestinian Authority, USA, UK (Great Britain and North Ireland), France, Spain, International Monetary Fund, the World Bank, Gulf Countries Council, FATF, UNODC and Egmont Group.

The General Meeting's first day activities comprised of three sessions, where the first and the second sessions included discussion and adoption of the third annual report for 2007, all organizational and financial issues of the Group and reports of the specialized committees. While the third session included discussion of report of Mutual Evaluation Task force, time line for the Mutual Evaluation process and required follow up for the related countries, report of Technical Assistance Task Force applications and technical assistance to member countries and the conferences, seminars and workshops the Group will organize within its plan to train residents.

The General Meeting also discussed proposals presented by the UAE and other member countries. These proposals aim at activating the Group's role and achieving its objectives through strengthening its relation with regional and international organizations including FATF, Council of Arab Ministers of Interior and Justice Secretariat and other

line organizations and groups. The second day of the meeting comprised of four sessions, the first two were dedicated to discussing the UAE's draft evaluation report, while the third and fourth sessions were dedicated to discussing Qatar's draft evaluation report. Both reports were discussed and adopted by the General Meeting.

The General Meeting's third day activities comprised three sessions. The first two sessions were dedicated to discussing Yemen's draft evaluation report, which was adopted by the General Meeting. During the third and final session, the meeting discussed developing and activating the Group's relation with international and regional organizations, particularly, FATF Group. The Meeting also reviewed developments of member countries anti money laundering and terrorism finance regimes in addition to other items of the agenda. The Meeting approved an extension of Mr. Adel Bin Hamad Al Qulaish service as Secretariat of the Group for additional four years.

- **The Eighth General Meeting (Fujaira, 10-11 November, 2008):**

His Excellency Sultan Bin Naser Al Swaidi, Governor of the Central Bank of the UAE and Head of the UAE's National Committee on Anti Money Laundering, opened the eighth General Meeting of MEANFATF Group on Monday.

Activities of the first day of the General Meeting included discussion and adaptation of the action plan and the estimated annual budget for 2009. The Group issued guidelines to strengthen countries commitment to recommendations of FATF in relation to specified non financial professions in the field of combating money laundering and terrorism financing. In the same context, the Group also discussed guidelines

which will be issued regarding political figures that represent risks in the same field. The Meeting also discussed the mutual evaluation team outcomes related to the evaluation process and its schedule.

The second day included discussion of the outcomes of the technical assistance and applications task force activities. In the same context, the group adopted the anti money laundering and terrorism financing

training manual for the different parties, which is considered a reference for member countries and the Group in the area of training and awareness raising.

All member countries approved Libya's membership to the Group. The International Customs Organization request to be an observing member to the Group.

UAE proposed inviting Maldives and Seashell to exceed membership to the Group. The General Meeting directed the Secretariat to draft a paper in this regard to be presented to the next general meeting.

As for strengthening relationship with FATF, it was approved to hold a joint meeting with FATF. The General Meeting was briefed on the most important updates on combating money laundering and terrorism financing regimes in some member countries.

The next general meetings were scheduled to be held in Bahrain during the period from 17/5/2009 to 21/5/2009. The Group welcomed Bahrain's chairmanship for 2009. The Group also declared that Mr. Abdel Rahim Mohammad Al Awadhi, the Group's Chairman, will inaugurate the Financial Information Units Workshop which will be held from 12/11/2008 to 13/11/2008, with the attendance of 50 participants from member and observer countries.

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