



# ANTI MONEY LAUNDERING UNIT



**Annual Report 2009**



**His Majesty King Abdullah II Ibn Al Hussein**



**His Royal Highness Prince Al-Hussein Ibn Abdullah II, Crown Majesty**

## **Statement of the Chairman of the National Committee**

To pursue the Kingdom's efforts in combating money laundering and terrorism finance over the past years, the Unit kept exerting all possible efforts to carry out its duties, develop its performance and achieve its mission to secure the safety of the Kingdom's financial system.

Crimes of money laundering and terrorism finance became the most serious crimes against the international financial system. Based on the commitment which we took on ourselves to be at the lead in combating money laundering, we, as a National Committee, have a clear approach towards combating such crimes armed with our legal instruments, authorities of the regulatory agencies over reporting entities and the cooperation with local administrative, law enforcement and judicial agencies and counterpart units in the other countries in combating money laundering crimes which are of international nature.

Authorities around the world realized that money laundering crimes are no more considered a threat against the stability of an economic system in a country by itself, rather it is a threat against the stability of the international economic system as a whole. As a result of this threat which is against the whole world, combating money laundering became at the top of countries priorities given the negative impacts of this phenomena that can result in weakening financial institutions through which, money laundering operations are carried out. It also impacts their stability, as a result of being subjected to reputational, operational and legal risks.

Our experience in combating money laundering crime is evolving year after year, and hopefully, we will reach a point where we compete developed countries in terms of methods to combat money laundering, and to achieve as much compatibility as possible with all international recommendations and standards, at the same time, following up the most recent developments in this area.

Finally, I would like to thank all members of the National Committee for their efforts and efforts of the Anti Money Laundering Unit to confront this phenomenon. I also would like to appreciate the positive and continuous track and its future expectations to serve this dear home country and its leader His Majesty King Abdullah II Bin Al Hussein.

**Chairman of the Committee**

**Dr. Umayya Toukan**

## **Statement of the Chief of Anti Money Laundering Unit**

At the outset, I would like to express my sincere thanks in my capacity and on behalf of the Anti Money Laundering Unit staff to His Excellency Dr. Umayya Toukan, Governor of the Central Bank for his continuous support to the Anti Money Laundering Unit by providing the Unit with all forms of cooperation and assistance to perfectly performing its role. I also would like to highly appreciate His Excellency's efforts to accentuate the Unit's autonomy.

The year 2009 began with a new era that forms a significant turn point in the Unit's age by the MENAFATF adoption of the Mutual Evaluation Report. The report included the Evaluation team's comments on Jordan's Anti-money Laundering Regime in accordance with the international recommendations on money laundering and terrorism financing. Since the official endorsement of the Kingdom's Mutual Evaluation Report in May 2009, the Unit spared no effort in drawing the outline of the plan which shall be followed to address shortcomings included in the Report, most important of which was drafting a law that comprises of many key provisions amongst which criminalizing terrorism financing and authorizing the Unit to receive SARs on operations suspicious of being related to terrorism financing, promoting the Unit's autonomy, including other entities under the provisions of the law and emphasizing the legal obligation of such entities along with enforcing deterrent penalties equivalent to the severity of money laundering and terrorism finance crimes.

The Unit also worked on developing a mechanism to coordinate efforts with local law enforcement, regulatory and supervisory and administrative authorities to strengthen combating money laundering and terrorism financing operations.

The Unit also seeks to strengthening cooperation with many counterpart units in the Arab countries and at the international level to combat crimes of money

laundering and their impact. To this effect, the Unit has arranged for all means required to accomplish its expectations in entering into MOUs to exchange information with counterpart units and also took necessary measures to consider Egmont Group membership requirements.

In 2009, the Unit sought to develop its e-systems by setting the mechanism to develop a new SAR System, so it can be easily and flexibly accessed by all reporting entities. It also assists in conducting statistic studies through obtaining the number and distribution of SARs. The Unit also expanded its data base to include data available at the Department of Civil Status and Passports and Department of Land and Survey in addition to other international data bases, which resulted in providing more comprehensive data about those who are suspected of being related to financial crimes, particularly, money laundering.

Based on realizing the importance of being informed on the latest developments in money laundering and methods of combating, the Unit also was keen for its staff involvement in training courses and international conventions specialized in combating crimes in general and money laundering crime in particular.

Finally, I would like to thank and appreciate the efforts of members of the National Committee, Anti Money Laundering Unit staff and the unknown soldiers in all sectors which they exerted through coordination and cooperation with the Unit to combating money laundering and terrorism financing in the Kingdom to better serve it and its leader His Majesty King Abdullah II Bin Al Hussein.

**Chief of the AMLU**  
**Dana Tahsin Junbulat**

# **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 hawamdeh<sup>1</sup>

## **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 the 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 the Anti Money Laundering Unit  
Mrs. Dana Junbulat<sup>2</sup>

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<sup>1</sup> Starting from 08.17.2009 instead of HE Judge Mohammed AL Ghazo

<sup>2</sup> Starting from 08.02.2009 instead of Mr. Adnan AL Lahseh



# **Vision, Mission and Strategic Objectives**

## **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.



# Chapter One: Anti Money Laundering Unit

## **Overview**

The Anti-Money Laundering Unit (AMLU) is an independent unit established in 2007 and located in the Central Bank of Jordan (CBJ). The Unit is specialized in receiving Suspicious Activity Reports, requesting related information, and providing the competent local official authorities with such information when necessary. In case enough supporting information is available to support the suspicion transaction, the Unit prepares a report of such case and refers it to the General Prosecutor attached with the relevant documents.

The Unit is entitled to exchange information with counterpart units on bases of reciprocity, provided that such information shall not be used except for the purposes of combating money laundering and provided that the approval of the counterpart unit which provided the information is obtained.

## **Responsibilities and Duties of the Unit**

The Unit carries out the following tasks and responsibilities:-

- a- Financial and legal analysis of the reporting entities reports, requesting relevant further information and access any necessary records or documents.
- b- Conduct, analyze and follow up anti money laundering studies and research at both local and international levels.
- c- Develop money laundering public awareness programs and preventive measures that the reporting entities should take.
- d- Request any information necessary to the achievement of the Unit tasks in accordance with the forms prepared by the Unit and approved by the National Anti Money Laundering Committee.
- e- Request each of the Regulatory authorities to nominate a liaison officer to represent it with the Unit and provide the Unit with periodic reports on its anti money laundering activities.

- f- Request monitoring authorities to issue instructions, required to implement the provisions of the law, provided that such instructions shall include anti money laundering controls and obligations and methods to verify the reporting entities implement such instructions.

### **Internal affairs of the Unit**

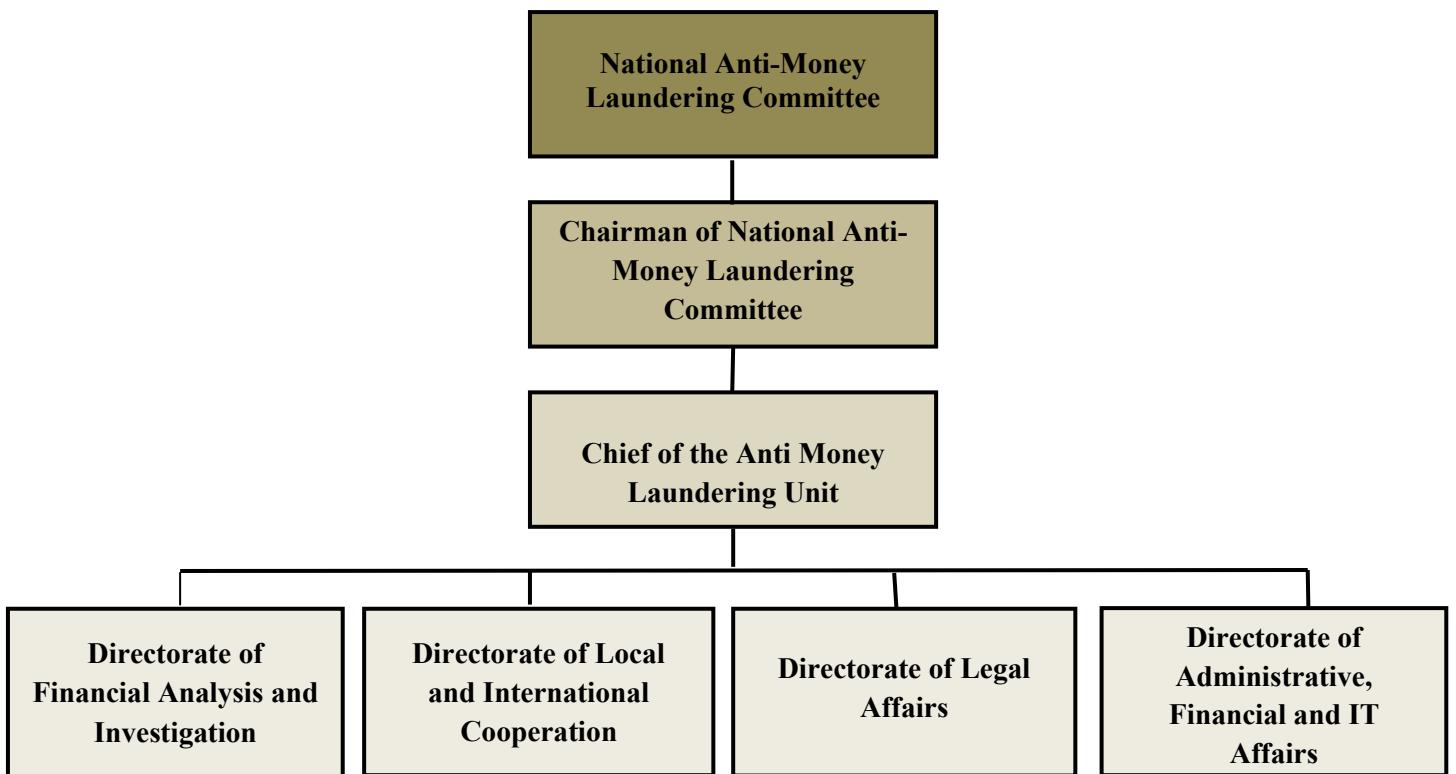
Due to the issuance of the Anti Money Laundering Unit Regulation No. (40) for the year 2009, which was published in the Official Gazette on 26/5/2009, the Unit has arranged its internal affairs as follows:-

- 1- Adopting jobs classification chart until the end of 2010, approving employment requirements in the Unit and approving the Unit's organizational structure to include the following departments:-
  - a- Financial Analysis and Investigation Department.
  - b- Local and International Cooperation Department.
  - c- Legal Affairs Department.
  - d- Administrative, Financial and Information Technology Affairs Department.
- 2- Consistent with the organizational structure a number of employees were appointed, as the number of the Unit's staff in 2009 reached (11) distributed in all directorates of the Unit. Services of the Central Bank employees to the Unit were terminated and some of them were appointed at the Unit.
- 3- Social security and income tax subscription procedures for all staff were concluded as well as the Savings Fund. On 17/2/2009, subscription to health insurance services in accordance with medical care instructions at the Unit in addition to life and personal incidents insurance for all the staff.

- 4- In accordance with the Unit regulation of Procurement, a procurement committee was formed to include a group of senior staff of the Unit.
- 5- Based on Deposits Guarantee Corporation Board decision No. (8) For 2009, a floor in the Corporation's facility was dedicated to the Unit for no less than 10 years including the provision of all required facilities and services relevant to enable the Unit to perform its functions at the earliest.

As for the e-reporting system on suspicious activities, considering the necessity of developing and updating the e-systems in view to saving time and efforts of the staff, particularly, in the analysis of SARs, the Unit decided to update the e-reporting system through one of the distinguished IT companies in the Kingdom, as all reporting institutions will be linked through a safe website that serves to deal with the system easily and flexibly, also the system provides a mechanism which enables the Unit of keeping the SARs, documents attached, any amendments made to it, relevant inquires of the Unit and their respective decisions. It also enables the Unit of following up on all procedures taken relevant to the SAR and the phase in which it is going through. The new system also assists in conducting statistical studies by obtaining the number of SARs and their distribution.

## The organizational structure of the Unit





**Chapter Two: Internal and International  
Activities of the Unit**

## **Cooperation with Internal Regulatory, Supervisory and Securities authorities' concerned in anti money laundering:**

Memoranda of Understanding with Regulatory and Securities authorities:

### **1) Insurance Commission**

On 20/11/2009, the AMLU signed an MOU with the Insurance Commission, in view of strengthening and organizing cooperation between the two parties to accomplish requirements of the Anti Money Laundering Law and any other relevant legislation through developing the Insurance Commission anti money laundering relevant instructions, codes of ethics and sound practices and standards issued by competent local and international entities, organizing awareness campaigns, for entities subject to the supervision of the Insurance Commission on the requirements of Anti Money Laundering law and methods of money laundering and facilitating exchange of information necessary for each party to carry put its tasks and duties consistent to provisions of the relevant legislations, in addition to nominating a liaison officer to carry out provisions of the MOU.

### **2) Securities Commission**

On 1/7/2009, the Unit signed an MOU with the Securities Commission in view of strengthening cooperation between both parties by developing the Securities Commission anti money laundering instructions, codes of ethics and sound practices and standards issued by competent local and international entities, organizing awareness campaigns, for the financial institutions subject to the supervision of the Securities Commission on the requirements of Anti Money Laundering law and methods of money laundering and facilitating exchange of information necessary for each party to carry at its tasks and duties consistent to provisions of the relevant legislations, in addition to nominating a liaison officer to carry out provisions of the MOU.



### **3) Public Security Department**

Given the Public Security Department experience in combating crimes and the investigation techniques and its efforts exerted to maintain safety and security and to prevent crimes in the Kingdom including money laundering crime, the Unit discussed methods of cooperation, speeding and facilitating the exchange of information relevant to anti money laundering crime and the activities related, between the Unit and the PSD in 2009. The agreement was to develop an MOU there between the two parties that can serve to identify mutual cooperation framework through establishing specialized division at the PSD dedicated to the prosecution of money laundering crimes.

### **Expansion of the Unit data base**

In 2009, the Unit expanded its data base to include:-

#### **1- Civil Status and Passports Department**

The data base of the Civil Status and Passports Department is amongst the vital ones that assist the Unit in the analysis of the SARs since it includes a variety of information on Jordanians and those of other nationalities. The Unit initiated cooperation and coordination with the Department to reactivate the electronic linkage to access the its data base which will facilitate carrying out the Unit's functions when verifying people who are the subject of the SARs in terms of their name, national ID number and their family members.

The scope of the Unit's access was also expanded to include all segments available at the Civil Status and Passports Department data base whether for Jordanians or for other nationalities included in the Department's data base.

## **2- Land and Survey Department**

Given the importance of information available at the Land and Survey Department in the analysis of SARs in view to verifying sources of people under suspicion assets, and whether such assets were generated as a result of selling land or real estates. The Unit, in coordination with Land and Survey Department, developed a proper mechanism to enable the Department of providing the Unit with the required information in the same day.

## **3- Commercial data bases**

The Unit has expanded search bases on people under suspicion by subscribing to international search bases. Through such bases it can be possible to verify the listing of the subjects on the international or the UN lists or wanted in other cases or assuming a senior position in any country.

### **Local cooperation impact on studying and analyzing the SARs**

- Expansion of the data base used in the analysis and investigation on information which are the subject matter of SARs.
- Verification of the accuracy and validity of information included in the received SARs.
- Momentum of obtaining information relevant to SRAs.
- Momentum in studying and analyzing SARs.
- Addressing few shortcomings in accordance with the Mutual Evaluation Report on the Kingdom.

## **Cross Border Movable Money**

Cross border movable money transfer is the most dangerous method that the criminals employ in money laundering and terrorism finance internationally. As criminals or terrorists fund their activities or launder their criminal proceeds by transferring money across the borders, then conceal or cover the criminal sources of their proceeds and transferring it from one location to another. For that reason, cross-border movable money is considered an international crime, since the proceeds are transferred from one country to another through border crossings.

Therefore, it was necessary to apply procedures and preventive measures that can assist in the prevention and combating of these crimes. Such measures and procedures represented by law to prevent and deter money launderers and terrorist financiers from utilizing this method or way.

Based on the great importance of taking measures to combat money laundering and terrorism finance by the Kingdom, the FATF issued the special ninth recommendation to serve as a basic framework that all countries adhere to in view of the detecting and eliminating transactions of money laundering and terrorism finance. The FATF special ninth recommendation pointed out the necessity to develop a system related to physical cross borders movable money for currency and bearable financial instruments as well as gold, precious metals and stones. Moreover, countries should have a declaration system or any other form of commitment to declare; which are two systems, declaration and declaration systems.

As for procedures taken by the Kingdom to this effect, the National Anti Money Laundering Committee has approved, on 17/8/2008, cross borders movable money declaration form and the threshold of money that is not subject to the declaration in cross borders movement to be (15000) JODs or equivalent in

foreign currencies. On 21/4/2009, the Committee also approved the necessity to initiate implementation of the cross borders movable money declaration form after applying some amendments on the form, where a committee chaired by the chief of AMLU was formulated to develop the appropriate implementation mechanism.

Consequently, a cross borders movable money transfer committee was formulated with the membership of AMLU, Customs Department and other relevant authorities to function in accordance with the National Anti Money Laundering Committee recommendations. Where the cross-borders movable Money Committee decided to:-

- Conduct an onsite visit to three border crossings (Jaber Border Crossing, Queen Alia International Airport and Aqaba Passengers Station) in order to develop an appropriate mechanism to implement provisions of Articles (20 and 21) of Anti Money Laundering Law No. (46) for the year 2007 in relation to the declaration of cross borders movable money.
- To clearly publicize declaration locations to those carrying more than (15000) JODs or equivalent in foreign currencies and obligation of arrival travelers subjected to the declaration threshold to obtain and fill out the form.

The Unit also took necessary procedures to print out the declaration form in adequate copies and to prepare information signs to inform arrivals on this subject. The Unit also coordinated with the Customs Department to disseminate copies of the form on the Kingdom's crossing border as well as the information signs. Signs also indicated that the arrivals will be held accountable in case of failure to declare the transfer of cash or providing false information in this regard consistent to provisions of article (21) of Anti Money Laundering Law no. (46) for the year 2007.

## Cross borders Money Transfer Declaration Form

<b>Arriving Passengers</b>	<b>Cross Border Declaration Form</b>	<b>Date: / /</b>																					
<p>All Passengers arriving to the Hashemite Kingdom of Jordan shall declare Cash and/or Negotiable Financial Instruments and/or Stones and/or Precious Metals over 15,000 Jordanian Dinar or equivalent in foreign currencies according to this Form. In case of traveling families, one form shall be filled in provided that all sums are declared.</p>																							
<p>First Name: _____ Father's Name: _____ Grandfather's Name: _____ Family Name: _____</p> <p>Passport Number: _____ Nationality: _____ National Number for Jordanians: _____</p>																							
<p>Traveling By: <input type="checkbox"/> Air <input type="checkbox"/> Road <input type="checkbox"/> Sea Arriving From: _____ Flight/Vessel No. _____ Airline _____</p>																							
<p>Traveling with your Family? <input type="checkbox"/> Yes <input type="checkbox"/> No Number of Family Members Traveling with you _____</p>																							
<p>Amount of Declared Money Transported in JD _____ Details of transported amounts:-</p>																							
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<p>Are you carrying the amounts on behalf of someone else? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes:            Name of Owner: _____ Nationality: _____            Address: _____ Phone No.: _____</p>																							
<p>Are you delivering the amounts carried to any other entity? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes:            Name of Entity: _____ Nationality: _____            Address: _____ Phone No.: _____</p>																							
<p><b>Purpose of Bringing in the Amounts:</b></p> <p><input type="checkbox"/> Investment <input type="checkbox"/> Education <input type="checkbox"/> Medical Treatment <input type="checkbox"/> Tourism <input type="checkbox"/> Other (Specify) _____</p>																							
<p><b>Address in the Hashemite Kingdom of Jordan:</b></p> <p>_____</p>																							
<p><b>Address in Country of Residence:</b></p> <p>_____</p>																							
<p>Signature: _____</p>																							
<p><b>For Official Use Only:</b></p> <p>Name of Customs Employee: _____</p>	<p>Signature and Seal: _____</p>																						
<p><b>Filling this form is mandatory pursuant to paragraph (A) of Article (20) of Anti Money Laundering Law No. (46) for the Year 2007. No financial obligations, taxes or fees shall be borne by filling in this form, however no or false declaration shall subject you to legal liability.</b></p>																							

## Conventions and training courses which the Unit participated in

Realizing the importance of the promotion of the AMLU's staff qualifications through their involvement in conventions and training courses, and the importance of its role in terms of analyzing SARs and information exchange with counterpart Units to money laundering crime in accordance with the provisions of the law, in addition to raising awareness of local entities, the Unit staff participated in many conferences and training courses organized by international and local institutions and entities.

<b>Date</b>	<b>Subject</b>	<b>Organizing Party</b>	<b>Location</b>
April, 2009	Methods of Financial Analysis in Combating Money Laundering and Terrorism Financing	Special Investigation Commission (Lebanon) and US Department of Treasury	Lebanon
August, 2009	Training on Systems of Combating Terrorism	Federal Deposits Insurance Corporation (FDIC)	USA
October, 2009	General Introduction on Anti Money Laundering and Terrorism Financing	AMLU and US Department of Treasury	Jordan
November, 2009	Risk Management System for Anti Money Laundering and Terrorism Financing	Australian counterpart unit and World Bank	Jordan
November, 2009	Anti Money Laundering and Terrorism Financing Awareness Strategy	Australian counterpart unit and World Bank	Jordan
November, 2009	Money Laundering Crimes Investigation Procedures	Preventive Security Training Center	Jordan

## **Ninth and Tenth General Meetings of MENAFATF**

The Kingdom, through AMLU, is a founding member of MENAFATF chaired by His Excellency Dr. Umayya Toukan/ Governor of the Central Bank of Jordan in 2007. It's a voluntary and cooperative group concerned in adopting and implementing the forty anti money laundering recommendations and the nine special recommendations on terrorism financing issued by FATF. The Unit, represented by its Chief, attended the ninth and tenth General Meetings of the Task force.

### **1. The Ninth General Meeting**

The MENAFATF Ninth Plenary Meeting was held in the Kingdom of Bahrain during the period from 18-20 May, 2009 and chaired by Bahrain represented by Mr. Abdel Rahman Mohammad Al Baker, Executive Director of Financial Institutions Monitoring at that time at the Central Bank of Bahrain. Many anti money laundering and terrorism finance experts from member countries of the Group participated in the Plenary Meeting activities (Jordan, UAE, Bahrain, Tunisia, Algeria, KSA, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania and Yemen) and observer countries and entities (Palestinian Authority, France, UK, USA, Spain, International Monetary Fund, GCC, FATF, Egmont Group, Asia and the Pacific Group and International Customs Organization).

The Plenary Meeting discussed the draft mutual evaluation report on anti money laundering and terrorism finance in the Hashemite Kingdom of Jordan in light of the field visit conducted by a team of experts in law and law enforcement from the Group's member countries. The objective of the field visit was to evaluate anti money laundering and terrorism finance regime based on relevant international recommendations and standards.

### **2. The Tenth Plenary Meeting**

The Tenth Plenary Meeting of MEHAFATF was held in Lebanon during the period from 9-11 November, 2009 under the chairmanship of the Kingdom of Bahrain represented by Mr. Abdel Rahman Mohammad Al Baker, Executive director of the Financial Institutions Monitoring at the Central Bank of Bahrain.

Many Anti money laundering and terrorism financing experts from member countries (Jordan, UAE, Bahrain, Tunisia, Algeria, KSA, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania and Yemen) have participated in the Plenary Meeting as well as observer countries and entities (Palestinian Authority, France, UK, USA, Spain, International Monetary Fund, GCC, FATF, Egmont Group, Asia and the Pacific Group and International Customs Organization).

The AMLU presented a brief on the latest updates since the mutual evaluation of anti money laundering regime in the Kingdom. The presentation included updates on the Kingdom's anti money laundering regime at the local and international levels, such as the promulgation of the Anti Money Laundering Unit Regulation, endorsement of the cross border movable money declaration, development on suspicious activities reporting system and developments on the Kingdoms efforts to exceed Egmont Group membership.





## **Chapter Three: The Kingdom's Mutual Evaluation**

## **The Kingdom's Mutual Evaluation**

The Kingdom is a founding member of MENAFATF which was established in 2004 as a regional task force concerned in anti money laundering and terrorism financing in accordance with the recommendations of FATF known as the forty anti money laundering recommendations and the nine special recommendations on terrorism financing. Its MOU provides that the Plenary Meeting of the task force arranges for a continuous mutual evaluation program of member countries in cooperation with the secretariat, where all members approve to participate in such program. The mutual evaluation process aims at the evaluation of anti money laundering and terrorism financing regime and its effectiveness by a group of experts in this field. The evaluation process requires the assessor's team to examine and review all anti money laundering and terrorism financing legislations and controls in the country under evaluation, and to insure their enforcement and effectiveness along with an onsite visit to that country.

Evaluation of anti money laundering and terrorism financing regime is carried out according to certain procedures to measure the extent to which the country implements requirements of the international recommendations and conventions affecting this regard. Some entities which assume observer capacity in the Task Force; such as World Bank, International Monetary Fund and other regional organizations, are entitled of participating in the evaluation process. The evaluation report will be discussed at the Task Force's Plenary Meeting and usually published after being acknowledged by the country concerned; finally, it becomes a reference for evaluation of that country in this regard.

### **Rating of Commitment**

Compliance towards each of the forty recommendations and the nine special recommendations is evaluated according to the FATF Assessment Methodology. There are four ratings to determine the level of country's commitment: compliant, largely compliant, partially compliant and non-compliant. Under exceptional circumstances, compliance can be rated as not applicable.

## **Mutual Evaluation Report of the Hashemite Kingdom of Jordan**

The Hashemite Kingdom of Jordan went through a mutual evaluation of its applied anti money laundering and terrorism finance regime for the first time. The mutual evaluation was carried out by a team of experts from the task force in light of an onsite visit conducted by the assessors' team to the Kingdom during the period from 6-17 July, 2008. The team was comprised of the MENAFATF Secretariat and experts in law, law enforcement and financial affairs from member countries of the task force. The team reviewed all relevant legislations and practical implementations relevant to anti money laundering and terrorism financing in the Kingdom, including laws, regulations, decisions and other necessary requirements, in addition to a study of the Kingdom's financial system, particularly; banking industry, financial sector financial sector's structure, business sector, designated non financial businesses and professions, charities, anti money laundering and terrorism finance legislative structure and all relevant competent authorities; where the team examined capacity and effectiveness of the implementation of these laws, regulations and instructions. The evaluation was based on 2003 forty recommendations and the nine special anti terrorism recommendations for 2004 issued by FATF, in addition to the 2004 assessment methodology for combating money laundering and terrorism financing as well as other legislations presented by the Kingdom through officials and representatives of all relevant official entities and the private sector. The evaluation team pointed out that the Kingdom is considered amongst the developed and stabled economic systems in the middle east, specially, in banking, as the banking sector in Jordan is characterized by a collectively notable development with a degree of awareness on requirements of anti money laundering and terrorism finance. In addition to the existence of a legislative and regulatory structure that covers all sectors relevant to anti money laundering.

Objections of the Kingdom to the draft mutual evaluation report were presented, and that evaluation was adopted during the ninth Plenary Meeting of MENAFATF held in Bahrain. The report provides a summary of the Kingdom's measures for combating money laundering and description and analysis of these measures along with identifying the Kingdom's level of commitment towards the forty recommendations and the nine special recommendations of FATF. It also included a proposed action plan on procedures capable of strengthening certain aspects of that regime.

## **Impacts of the Mutual Evaluation on the Kingdom**

The mutual evaluation has resulted in more coordination between judicial, regulatory and supervisory authorities which exercise their power over entities subject to the provisions of Anti Money Laundering Law No. (46) For the Year 2007, and law enforcement authorities concerned in money laundering in cooperation with the AMLU in addressing the deficiencies and shortcomings in the anti money laundering regime in accordance with the mutual evaluation assessment methodology for 2004 and the forty anti money laundering recommendations and the nine special recommendations on terrorism finance.

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**Chapter Four: Statistics of Suspicious  
Activity Reports**

### SARs received from local entities in 2009

Entity	No. of SARs
Banks Operating in the Kingdom and branches of Jordanian banks operating overseas	124
Exchange Companies and Money Transfer Businesses	8
Businesses subject to the regulation and licensing of Securities Commission	1
Businesses subject to the regulation and licensing of Insurance Commission	0
Financial institutions	1
Businesses operating in Trade and Development of Real Estates	0
Businesses operating in Trade of Precious Metals and Stones	0
Regulatory and Supervisory Entities	6
Customs Department	1
<b>Total</b>	<b>141</b>

### SARs received from local entities in 2009 by month

Month	No.
January	12
February	21
March	16
April	14
May	1
June	9
July	19
August	12
September	4
October	10
November	13
December	10
<b>Total</b>	<b>141</b>

## **A brief description of some money laundering cases**

### **Money embezzlement and identification documents counterfeiting**

The AMLU received a SAR from a foreign bank operating in the Kingdom to notify the Unit that an Arab national client who is a house wife has opened an account at the bank through one of its branches in its home country, granting a letter of attorney on her account to her brother using his real name. A month later, a staff member of the diplomatic mission of the country which the client holds nationality contacted the bank and presented an official correspondence letter from the embassy that included a request of assistance to seize an amount of money embezzled from a public institution. The defendant of that embezzlement case was the above-mentioned house wife account owner who fled the country using a counterfeited passport.

Analysis and intelligence conducted by the Unit showed that it is at the same day when the account was opened, a money transfer was sent from an exchange company exists in the country which the mentioned house wife holds nationality to the account of local exchange company at a local bank, at the same day also, the money transfer was forwarded to one of the account of one of the exchange company branches that exists and operates in the Kingdom at that same bank, then the person who requested issuance of the money transfer, who is the house wife's brother, transferred the money to his personal account at the same bank. A few days later, the brother transferred portion of the money to the house wife's account at the bank in the Kingdom, at the same day she received a money transfer from another person through the first exchange company and a week later, she made a money transfer to her account at the bank in the home country of the bank.

Based on the above, the Unit referred the case to the public prosecutor who ordered to seize the money amount remaining in the account at both banks operating in the Kingdom. Counterpart unit was contacted to obtain available information on the mentioned house wife and her family and whether if she was arrested. The case is still before the public prosecutor.

## **Cross Border Movable Money and Suspicion of Money Laundering**

The AMLU received a letter from a public institution that they found an amount of money concealed inside coffee bags in one of the luggages belonging to a passenger arriving to the Kingdom from a foreign country. Method of concealment inside coffee bags, the amount value and the passenger's denial of being aware of carrying the money provided indicators of suspicious activity that might be related to a money laundering transaction.

Based on those facts, the Unit referred the case to the public prosecutor who initiated required investigations, as a result of which, it was found that the money does not belong to the passenger himself, but to another person who handed him the money in the foreign country to deliver it to one of his family members. The public prosecutor referred the case to the competent court for failure to declare the possession of money with an amount beyond declaration threshold in violation of Article (20/a) of Anti Money Laundering Law No. (46) for the Year 2007.

## **Embezzlement of Company Money**

A foreign bank operating in the Kingdom notified the Unit on accounts belonging to three of the bank clients, the SAR pointed out that the first client was receiving repetitive transfers of fixed amounts less than the reporting threshold from his account at one the banks operating in an Arab country where the client works. Where the first client transferred an amount over the period of five months only as his work revenues at that country, some transfers were issued from his account and others were issued from one of his friends accounts at the same bank in that country. The first client also transferred money from his accounts at the same bank to his company's (the second client) account at the bank who reported the case. The company was established in partnership with his brother (the third client) in the Kingdom. The first client bought real estate properties using the money transfers value as well as holding the remaining amounts as deposit for a fixed period at the bank. The Unit inquired the counterpart unit at the country where the client works and found that there are SARs on these individuals and suspicion of being involved in transactions of embezzlement in that country.



The Unit, on these bases, referred the case to the competent public prosecutor who issued a seizure order on the three accounts, and the case is still under investigation by the public prosecutor in the competent authorities in the mentioned Arab country. The Unit cooperation with its counterpart is still undergoing to obtain the outcomes of their investigation.

### **Providing counterfeited documents**

The AMLU received SAR from a bank operating in the Kingdom that the bank received swift letters in favor of a client from two foreign banks. Since the documents were not received appropriately, the bank contacted the two foreign banks to verify the documents. Both banks confirmed that the documents were not sent through them, the reporting bank also found that there was a letter of credit received in favor of the client issued from a local bank, the credit was notified by another local bank, and the letter of credit was in condition of issuing a good performance guarantee, since the conditions were not met, the guarantee was confiscated.

In the course of analysis and intelligence, the Unit inquired about the mentioned client at all banks operating in the Kingdom, and found that his accounts movements do not reflect any business activity. The Unit also received a request of information from a counterpart unit, through which, it found that the counterpart unit received SAR from a bank operating there that the client provided a false cheque, it was also found through that request that the mentioned client owns an individual corporation in a third country.

The Unit referred the case to the competent public prosecutor, and it is still under investigation there.

### **Counterfeiting banking documents**

The AMLU received a request for assistance from a counterpart unit on suspicious transaction of a Jordanian national suspect. A bank operating in the country of the counterpart unit filed SAR on that Jordanian, as he provided a bank guarantee issued in a foreign country to collect and deposit it in his account. When the bank verified the guarantee, it was found that there is possibility of being counterfeited.

Based on the above information, the counterpart unit requested information on that person and whether there have been SARs on him filed to Unit.

The Unit requested information on the mentioned person and investigated on him in the Unit data base. It was found that no SARs received on him, also it was found that he perpetrated number of crimes, including issuing a cheque with no credit and an attempt to fraud and theft. Number of arrest warrants was issued against him from several law enforcement and judicial authorities.

The counterpart unit was informed of the conclusions, and after obtaining its consensus, the public prosecutor was informed of the case which is still under investigation.

### **Provision of False Guarantees**

The AMLU received several SARs from several banks regarding a company registered in the Kingdom. The company, through its authorized signatory, filed application to obtain facilitations of huge amount of money from an offshore bank. The company also applied, through its representatives, to another two banks to issue letter of assurance in favor of a company to demonstrate the bank's willing to receive a transfer of a huge amount of money that is the outcome of a loan the company will obtain from an offshore company for purposes of investment in the Kingdom, as well as an application to obtain facilitations against a bank guarantee issued from an offshore bank in favor of the company which will provide the loan, the guarantee was found to be counterfeited. A forth bank filed another SAR claiming that the company sent a financial guarantee sent from the same bank in the third country and request the bank to place the company in an international investment program in return of giving them weekly profits that will be transferred to their account. The bank intelligence showed that the guarantee was not issued by the bank in the third country.

After intelligence, analysis and inquiries about the company, the incorporators and their accounts at the institutions operating in the Kingdom, it was found that one of the banks has terminated its relation with the company after receiving an email attached by a letter from the manager of one of the bank branches operating in the third country regarding a bank guarantee in favor of the suspicious company. After inquiring the bank, it was found that they did not send that email.

Based on the above, the Unit decided to refer the case to the competent public prosecutor for the mentioned individuals' provision of counterfeited documents.

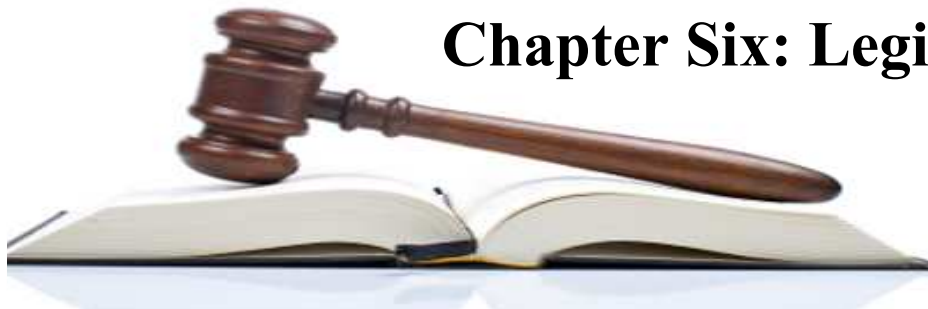


## **Chapter Five: Future Expectations of the AMLU**

## **Future Expectations of the AMLU**

- Developing a national strategy to combat money laundering.
- Promulgating an amended law to the Anti Money Laundering Law in force that addresses legislative gaps in the current law in line with the international recommendations issued in this regard and setting proper mechanisms to implement the Security Council resolutions, especially resolutions (1267 and 1373).
- Taking all required and necessary measures to exceed Egmont Group membership.
- Continuing cooperation with regulatory authorities on the entities subject to the provisions of the law for purposes of concluding amendments on anti money laundering legislations in accordance with the relevant international recommendations issued in this regard.
- E-linkage for all entities obliged to report.
- Continuous follow up on training of the Unit' staff and related entities' staff and introducing them to the international experiences in anti money laundering as well as training of all related entities on the money laundering transactions detection and follow up.

## **Chapter Six: Legislation**



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