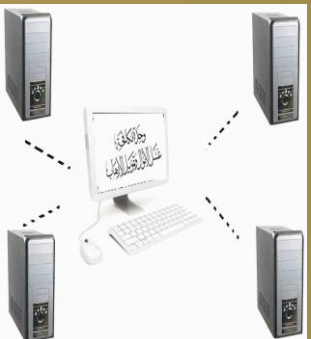
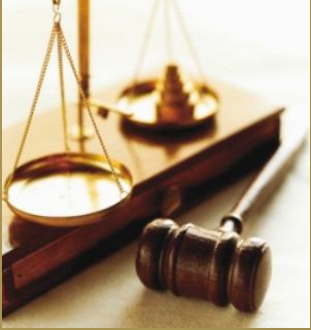




# Anti Money Laundering & Counter Terrorist Financing Unit



*Annual Report 2010*



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



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



Due to the National Anti Money Laundering and Counter Terrorist Financing Committee perception that protecting the national economy and maintaining the gains and achievements made by the Kingdom can be achieved through the harmonization of policies, plans and efforts; believing that developing the Anti Money Laundering and Counter Terrorist Financing regime requires full commitment to the international standards and recommendations issued by the Financial Action Task Force ( FATF) as well as the full implementation of the commitments imposed by the international conventions ratified by the Kingdom in this area; and depending on the urge to combat the crimes of money laundering and the financing of terrorism and their impact on the international community in general and to the Kingdom in particular;

The National Committee exerted all possible efforts to ensure that the Anti Money Laundering and Counter Terrorist Financing Unit is able to address and deal with all the challenges and obstacles that might interrupt its competencies through enhancing the cooperation and coordination between the Unit, the Regulatory and Supervisory authorities and the other competent authorities, which had a significant impact on the success made by the Unit during this year and on the performance of its functions.

Also, in the context of activating its role in developing the general policy for anti money laundering and counter terrorist financing, the National Committee had been keen to activate the role of the Regulatory and Supervisory authorities and the other competent authorities through the issuance of instructions and guidelines that are compatible with the international standards and recommendations and the Anti Money Laundering and Counter Terrorist Financing Law in force to be applied by the entities subject to its regulation and supervision.

In this regard, I am pleased to present to you the fourth annual report of the Anti Money Laundering and Counter Terrorist Financing Unit which contains the Unit's achievements for this year which is in accordance with the visions and aspirations of the National Committee.

Finally, I would like to express my sincere thanks to the members of the National Anti Money Laundering and Counter Terrorist Financing Committee for their efforts in addressing all what may threaten the stability of our economic system, assuring that we will spare no effort to join the ranks of developed countries in having a strict regime to achieve the prevention of money laundering and the financing of terrorism crimes.

Hence, we hope that this report will help shed some light on the national efforts made to achieve this. We would also like to take this opportunity to extend our great thanks, gratitude and appreciation to all the institutions and their employees, who contributed to the achievements made by the Anti Money Laundering and Counter Terrorist Financing Unit to serve our country and our dear leader his Majesty King Abdullah Ibn Al Hussien.



**Chairman of the Committee**  
**Faris Sharaf**

**The Anti Money Laundering and Counter Terrorist Financing Committee is formed pursuant to Article (5) of the Anti Money Laundering and Counter Terrorist Financing Law, and is chaired by the Governor of the Central Bank, with the membership of the following:-**

1. Deputy Governor of the Central Bank of Jordan (as Vice Chairman).
2. Secretary General of the Ministry of Justice.
3. Secretary General of the Ministry of Interior.
4. Secretary General of the Ministry of Finance.
5. Secretary General of the Ministry of Social Development.
6. Director General of the Insurance Commission.
7. General Controller of the Companies.
8. A commissioner from the Jordan Securities Commission.
9. The Chief of the Anti Money Laundering and Counter Terrorist Financing Unit.

**The Committee shall undertake to perform any tasks and authorities related to anti-money laundering and combating terrorism financing, including the following:-**

1. Developing the general policy for anti-money laundering and counter terrorist financing and setting the plans necessary for its implementation.
2. Following-up with the competent authorities for the purposes of fulfilling the obligations under the relevant and enforceable international resolutions.
3. Participating in international forums relevant to the general policy of anti- money laundering and counter terrorist financing.
4. Studying the annual reports submitted by the Unit concerning anti-money laundering and counter terrorist financing activities.
5. Approving and adopting the annual budget of the Unit proposed by the Chief of the Unit.
6. Studying the necessary draft legislation for implementing the provisions of this law as prepared by the Unit, and submitting such to the Council of Ministers to complete the necessary procedures.
7. Studying the instructions and guidelines to be issued by the regulatory and supervisory authorities pursuant to the provisions of this law.

Regulation No. (44) for the Year 2008 Regulation the of the National Committee has been issued to determine the meetings of the National Committee, quorum for its meeting, decision making, recommendations and other related provisions.

**Chairman**

Governor of the Central Bank of Jordan<sup>1</sup>  
H. E. Mr. Faris Sharaf

**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

**Member**

Secretary General of the Ministry of Interior<sup>2</sup>  
H. E. Mr. Sa'ad Al Wadi Al Manaseer

**Member**

Secretary General of the Ministry of Finance  
H. E. Dr. Izzeddin Kanakrieh

**Member**

Secretary General of the Ministry of Social Development  
H. E. Mr. Mohammad Khasawneh

**Member**

Acting Director General of the Insurance Commission<sup>3</sup>  
Mrs. Rana Tahboub

**Member**

Companies Controller<sup>4</sup>  
H. E. Dr. Bassam Talhoni

**Member**

Commissioner from the Jordan Securities Commission<sup>5</sup>  
H. E. Mr. Mansour Hadadin

**Member**

Chief of the Unit  
Mrs. Dana Junbulat

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1 Starting from 25/11/2010 instead of H. E. Dr. Umayya Toukan

2 Starting from 12/2010 instead of H. E. Mr. Mukhaimer Abu Jamous

3 Starting from 6/2010 instead of H. E. Dr. Basel Al Hindawi

4 Starting from 8/2010 instead of H. E. Mr. Sabr Al Rawashdeh

5 Starting from 10/2010 instead of H.E. Abdel Razzaq Bani Hani



ANTI MONEY LAUNDERING  
& COUNTER TERRORIST FINANCING UNIT



2010 was the year of challenges and achievements at the national and international level for the purposes of developing the anti money laundering and counter terrorist financing regime in the Kingdom in accordance with international standards and recommendations issued in this regard.

Once the Unit, in coordination with the Regulatory and Supervisory authorities and other competent authorities, started to take corrective actions to address the strategic deficiencies addressed in the Mutual Evaluation Report which was adopted by the plenary of the Middle East and North Africa Financial Action Task Force (MENAFATF) in May 2009; the Financial Action Task Force (FATF) adopted new procedures in order to protect the global financial system from the risks of money laundering and the financing of terrorism and to encourage compatibility with international standards and recommendations on an international scale. Accordingly, the Unit, being the body specialized in combating money laundering and financing terrorism in the Kingdom, was informed that the Anti Money Laundering and Counter Terrorist Financing regime will be subject to this review process due to the strategic deficiencies that needs to be addressed in accordance with the international standards and recommendations.

Nevertheless, I will not go through the achievements made by the Unit and I will not address the corrective actions taken at the national level, since the Unit's fourth annual report is the biggest proof of what has been done, instead I will take this opportunity to proudly say that despite the fact that the Unit was recently established and despite the fact that the staff does not exceed ten employees, we have been able to preserve the distinguished position and good reputation enjoyed by the Kingdom at the Arab, regional and international levels, where those efforts led to end the monitoring process of the Kingdom which was carried out by the Financial Action Task Force (FATF); Such an achievement was not possible and cannot be preserved unless the efforts of all ministries and institutions entrusted with the duty of combating money laundering and terrorist financing were gathered and such ministries and institutions kept a high level of cooperation with the Unit in order to comply with the international standards and recommendations, especially in the coming future.

On this occasion, allow me to extend my personal thanks and sincere appreciation and gratitude to His Excellency Dr. Umayya Salah Toukan the previous Chairman of the National Anti Money Laundering and Counter Terrorist Financing Committee for his continuous support and constructive guidance during his presidential period of the National Committee.

Finally, on my behalf and on behalf of all the staff of the Anti Money Laundering and Counter Terrorist Financing Unit, we would like to seize the opportunity of releasing the Fourth Annual Report for the year 2010 to express our thanks and our appreciation for the great efforts exerted by H.E. the Chairman of the Anti Money Laundering and Counter Terrorist Financing Committee, its members, law enforcement agencies, supervisory and regulatory authorities and other competent authorities, in order to stabilize the anti money laundering and counter terrorist financing regime in order to preserve the Kingdom's security and stability under the wise Hashemite leadership.

**Chief of the Unit**

**Dana Tahsin Junbulat**



### **Vision**

An Efficient Unit to combat money laundering and terrorist financing, and a distinguished performance at the regional and international levels.

### **Mission**

Ensuring the protection of the financial systems and the community from the risk of money laundering and terrorist financing through providing the required information promptly with high precision in coordination with the related competent authorities.

### **Strategic Objectives**

1. Developing and implementing the national legislation related to combating money laundering and terrorist financing.
2. Reinforcing the mechanisms of disseminating information between the Unit and the related competent authorities, and maintaining the confidentiality of such information.
3. Developing and documenting the executive procedures necessary to coordinate with the financial and non-financial entities subject to the provisions of the Law.
4. Building the institutional and administrative capacity of the Unit and the relevant competent authorities.

The Unit was established pursuant to the Anti Money Laundering and Counter Terrorist Financing Law No. (46) For the Year 2007, and the amendment there to, as a financially and administratively independent Unit, associated with the Governor of the Central Bank of Jordan, and has an independent budget within the general budget of the state.

The Unit is responsible for receiving the notifications in relation to any transaction suspected to be related to money laundering or terrorist financing and requesting information related thereto, analyzing and investigating such, as well as providing the competent authorities with such information, when necessary, for the purposes of anti money laundering and counter terrorist financing.

The Unit may request the competent authorities to provide any additional information deemed necessary for the performance of its duties if it is related to information previously received during performing its competence of upon information received from counterpart Units.

The Judicial regulatory and supervisory authorities performing their powers over entities subject to the provisions of the Law, in addition to any other administrative or security authorities, are also requested to provide the Unit with any additional Information related to the notifications received deemed necessary for the performance of its duties.

Once sufficient information is available concerning a transaction suspected to be related to money laundering or terrorist

financing, the Unit shall prepare a report attached therewith the information, data, documents, and legal instruments, and the Chief of the Unit shall submit the report to the competent Prosecutor General for investigation. Based upon the request of the Chief of the Unit, the competent Prosecutor General shall seize or trace the money subject of the suspicious transaction.

The Unit shall have the right to exchange information with Counterpart Units on a reciprocal basis provided that the information shall be utilized only to prevent money laundering and terrorist financing, and provided that the approval of the Counterpart Unit that provided such information is obtained. The Unit shall have the right to sign memoranda of understanding with the Counterpart Units to organize cooperation in this regard.

The Chief of the Unit also submits quarterly reports on the Unit's work and activities to the National Anti Money Laundering & Counter Terrorist Financing Committee.

Finally, The Unit conducts, studies and research and prepares awareness and training programs in the field of Anti Money Laundering & Terrorist Financing.



# Chapter Two: The Unit Activities at the National, Arab and International Levels



### Signing Memorandum of Understanding with the Public Security Directorate

Due to the Public Security Department experience in intelligence, investigation and efforts exerted to maintain safety and security and to prevent crimes in the Kingdom including money laundering crime, the Unit signed a Memorandum of Understanding with the Public Security Directorate for the purposes of the exchange of information related to money laundering and counter terrorism financing and other related criminal activities and order to reinforce cooperation between the two parties to serve the national interest in preventing money laundering and counter terrorist financing and detecting any related criminal activities.

### Designating the Regulatory and Supervisory Authorities and Other Competent Authorities Liaison Officers

For the purposes of reinforcing the cooperation on the national level, facilitating and expediting cooperation between the Unit and the regulatory, supervisory authorities and other competent authorities in the field of anti money laundering and counter terrorist financing and pursuant to the provisions of the Unit Regulation No. (40) for the Year 2009, liaison officers of the regulatory, supervisory authorities and other competent authorities were designated from the following authorities :-

- Central Bank of Jordan (Banking Supervision Department and Money Exchange Supervision Department)
- Ministry of Justice
- Ministry of Interior

- Public Security Directorate
- Ministry Of Finance
- Department of Lands and Survey
- Jordan Customs
- Ministry of Social Developments
- Insurance Commission
- Ministry of Industry & Trade
- Companies Control Department
- Jordan Securities Commission
- Aqaba Special Economic Zone Authority

### Meetings with the Liaison Officers of the Regulatory, Supervisory Authorities and Other Competent Authorities

The Unit held several meetings with the liaison officers of the regulatory, supervisory authorities and other competent authorities in order to discuss several topics related to money laundering and terrorist financing; Most important was the following :-

- Amending and/or issuing instructions of anti money laundering and counter terrorist financing by the regulatory, supervisory and other competent authorities, each according to its authorities, pursuant to the provisions of the Anti Money Laundering & Counter Terrorist Financing Law, the (FATF) Forty Recommendations and the (FATF) Special Nine Recommendations in order to address the deficiencies as identified in the Mutual Evaluation Report of the Kingdom, which was adopted by the (MENAFATF) in May 2009.
- Preparing the First Follow-up Report of the Hashemite Kingdom of Jordan to be submitted to the (MENAFATF) in March 2011 to include

the corrective actions taken by all entities, according to each competencies, since the adoption of the Mutual Evaluation Report of the Kingdom in May 2009 till the date of submitting the report.

### **Meeting with the Lands and Survey Department and the Real Estate Offices Syndicates**

A meeting was held between the Unit, the Lands and Survey Department and the Real Estate Offices Syndicate in order to introduce the AML/CTF Law and the international standards of anti money laundering and counter terrorist financing issued by the (FATF ) in addition to focusing on Recommendation (5), its implications and the significance of issuing the Anti Money Laundering and Counter Terrorist Financing Instructions Pertaining to Licensed Real Estates and its Developments. In addition, the significance of notifying the Unit exclusively with the transactions suspected to be related to money laundering and terrorist financing was emphasized.

### **Meeting with the Banks Operating in the Kingdom of (Liaison Officers)**

Due to the necessity of developing and updating the electronic systems of the notifications about transactions suspected to be related to money and terrorist financing, the Unit contracted with one of the distinguished IT companies operating in the Kingdom for the purposes of updating the existed electronic system in order to connect the Unit with all the entities that are obliged to report through a secure web which enables the whole entities that

are obliged to report to deal with the system easily and flexibly. Moreover, the system provides a mechanism which enables the Unit to keep the notifications, attached documents, any amendments done on such notifications, the inquiries submitted by the Unit, the responses on such inquiries and the decisions taken regarding such. Furthermore, the updated system enables the Unit to follow any procedures taken on the notifications and the stage that it reached for. In addition, the new system helps in conducting statistical studies.

When the mentioned system design was finalized, the Unit had tested the system in order to be tested by the banks in the next stage.

As a first step, during the period from August 4th-5th, 2010, two meetings were conducted with the banks compliance officers and deputies. The Unit emphasized on the banks obligation to report about transactions suspected to be related to money laundering or terrorist financing pursuant to the Anti Money Laundering & Counter Terrorist Financing Law. Furthermore, the attendances were introduced primarily to the system and the company trained the compliance officers on how to use the system.

At the end of the meeting, the banks were asked to test the system and provide the Unit with their notes for the purposes of studying and reflecting them on the system.

It is expected to launch and activate the electronic system in 2011.

## Website of the Unit

The Unit completed all the procedures related to the establishment of the Unit website in Arabic and English. The website was officially launched in June 2010. The importance of launching a new website is to facilitate for all the regulatory and supervisory authorities, other competent authorities, and the entities subject to the provisions of the Law to return to the legislation related to anti money laundering and the terrorist financing, international conventions and recommendations in this regard, as well as to keep all these entities up-dated with the latest developments related to money laundering and terrorist financing due to the continuous updating of the website.

The screenshot shows the website interface for the Anti Money Laundering & Counter Terrorist Financing Unit. At the top, the URL [www.amlu.gov.jo](http://www.amlu.gov.jo) is displayed. Below the header, there is a navigation menu on the left with items such as Home, About Jordan, National Committee, The Unit, Legislation, Entities Obligated to Report, Cross Border Movable Money, Memoranda of Understanding, Mutual Evaluation of the AML/CTF Regime in the Kingdom, Review Process of the AML/CTF Regime in The Kingdom, Conventions, International Recommendations, Methods and Trends of AML/CTF, Capacity Building & Training, Lectures, Annual Reports, Publications, Archived News, FAQs, Useful Links, Contact Us, and عربي. The main content area features a banner image of banknotes hanging on a clothesline. Below the banner, there is a section titled "About The Unit" which states: "The Unit was established pursuant to the Anti Money Laundering and Counter Terrorist Financing Law No. (46) for the Year 2007, as a financially and administratively independent Unit." Other sections include "The Amman Message", "Code of Conduct", "Annual Reports", and "Technical Committee for the Implementation of the Security Council Resolutions".



## Memoranda of Understanding with Counterpart Units

The Anti Money laundering and Counter Terrorism Financing Law in force granted in Article (19) of the law, the Unit the right to exchange information on money laundering and the terrorism financing with counterpart units, which is the unit that is granted under the legislation in force in any country the necessary competencies to combat money laundering and terrorist financing, and is subject in performance its work to the rules of adequate legal obligation to confidentiality of information, on a reciprocal basis, provided that the information shall be utilized only to prevent money laundering and terrorist financing, and provided that the approval of the Counterpart Unit that provided such information is obtained. The Unit shall have the right to sign memoranda of understanding with the Counterpart Units to organize cooperation in this regard.

For the purpose of the exchange of information related to money laundering and counter terrorist financing and criminal activities related there to, and in the spirit of cooperation and common interests in facilitating the investigation and prosecution through the analysis of information relating to money laundering and terrorist financing and related criminal activities, with an emphasis on confidentiality of information exchanged between the unit and the units corresponding.

The Anti Money Laundering & Counter Terrorist Financing Unit has signed during the Year 2010

Memoranda of Understanding with the following Counterpart Units:-

- The Anti Money Laundering and Suspicious Cases Unit of the United Arab Emirates. Mrs. Dana Junbulat / Chief of the Anti Money Laundering and Counter Terrorist Financing Unit of the Hashemite Kingdom of Jordan assumed signing the Memorandum with Mr. Abdulrahim Mohamed Al Awadi / Executive Director and Head of Anti-Money Laundering and Suspicious Cases Unit of the United Arab Emirates.
- The Financial Crimes Investigations Board (MASAK) of the Republic of Turkey, Mrs. Dana Junbulat / Chief of the Anti Money Laundering and Counter Terrorist Financing Unit of the Hashemite Kingdom of Jordan assumed signing the Memorandum with Mr. Mursel Ali/ Chief of The Financial Crimes Investigations Board (MASAK), the Memorandum of Understanding entered into force as of 21/9/2010.
- Financial Intelligence Unit of Understanding with The Counterpart Unit of the Palestinian National Authority in Amman on 5/12/2010, during a meeting between the Chief of the Anti Money Laundering and Counter Terrorist Financing Unit/ Mrs. Dana Junbulat and the Director of the Financial Follow up Unit of the Palestinian National Authority/ Mr. Riyad Owaidah.

- The Serious Organized Crime Agency (SOCA) of the United Kingdom in Amman on 12/9/2010 in the presence of Deputy British Ambassador in Jordan, His Excellency Mr.

Chris Rampling and representatives from the British institution specialized in combating serious organized crime in Britain.

The Kingdom through Anti Money Laundering & Counter Terrorist Financing Unit, is a founding member of the MENAFATF which was chaired by His Excellency Dr. Umaya 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 attended the 11th and 12th plenary meetings of the MENAFATF Group.

The Kingdom also attended through the MENAFATF The "FATF" meetings held in Amsterdam and Paris in 2010.

### **The 12th (MENAFATF) Plenary Meeting**

The (MENAFATF) held its 12<sup>th</sup> plenary meeting during the period from November 30<sup>th</sup> until December 2<sup>nd</sup>, 2010 in the State of Qatar. The plenary was chaired by Mr. Samir Brahimi, (MENAFATF) president, General Manager of the legal Regulation & Audit Affairs and Secretary General of the Tunisian Committee for Financial Analysis in the Central Bank of Tunisia. A large number of AML/CFT experts participated in the plenary meeting.

The Plenary adopted the Mutual Evaluation Report "MER" of the anti money laundering and counter terrorist financing systems for Algeria as well as adopting six follow-up reports for the United Arab Emirates, the State of Qatar, the Republic of Yemen, the Kingdom of Bahrain, the Kingdom of Morocco and the Arab Republic of Syria.

The Plenary approved a number of the presidency proposals which had been submitted by the Task Force which are the formation of a permanent technical committee of experts from the member countries and the Secretariat which assumes assessing the degree of the availability of the necessary elements in order to guarantee the quality and consistency of the MERs in addition to adding some amendments to the MOU and the internal regulation of the Task Force and the formation of a permanent technical committee of experts to contribute efficiently in the review process of the FATF 40 + 9 recommendations.

Furthermore, among the presidency proposals which were approved by the plenary was the outreach to the regional financial institutions which have the ability to support the (MENAFATF) activities through funding activities that identify with the (MENAFATF) and its objectives, support the relation between the (MENAFATF) and FATF-Style Regional Bodies FSRB through exchanging expertise and cooperation, not only to the (MENAFATF) participation in the regular meetings of such Task Forces.

### **The 1st FIUs Forum Meeting**

On the margin of the (MENAFATF) 11<sup>th</sup> plenary meeting held in Tunisia, the (MENAFATF) organized the first Financial Intelligence Units "FIUs" forum for its member countries which aims to activate communication channels between FIUs between the (MENAFATF) member countries, to establish a continuous and effective regional cooperation that supports the exchange of

expertise and knowledge between the (MENAFATF) member countries and help them in fulfilling their role effectively in combating ML/TF.

### **The 2nd FIUs Forum Meeting**

On the margin of the 12<sup>th</sup> (MENAFAT) plenary meeting, the (MENAFAT) organized the second meeting of the FIUs forum of the member countries in order to discuss the proposed mechanisms to build and support the FIUs capabilities and to discuss the ways and mechanisms which help the member countries to exchange expertise, prepare training materials in specific fields which help the FIUs in their work and to prepare a standard guidance manual especially for the work of the FIUs in consistent with the types and the internal regulation of the FIUs.

### **FATF Plenary Meeting in Amsterdam**

As an associate member in the (FATF), the (MENAFATF) participated in the (FATF) Plenary Meeting which was held in Netherlands, Amsterdam during the period from June 21st - 25th, 2010. The (MENAFATF) was represented in the meeting by a delegate from the Secretariat and five (MENAFATF) member countries which are Jordan, Sudan, Syria, Libya and Morocco.

On the occasion of the 20th anniversary of the FATF Recommendations for combating money laundering and terrorist financing, this meeting was organized to further strengthen the FATF'S global network.

During the mentioned meeting, the FATF welcomed the high-level written commitments submitted by the government of Angola, Ecuador, Ethiopia, Pakistan and Turkmenistan to implement action plans to address specific AML/CTF deficiencies. Based on these commitments and on progress made, these countries have been moved from the Public Statement dated February 18th, 2010 to the public document "Improving Global AML/CTF Compliance: On-going Process" dated June 25th, 2010.

Furthermore, the Hashemite Kingdom of Jordan was referred from the "prima-facie" to the "targeted review" because of not addressing the strategic deficiencies in the AML/CTF regime in the Kingdom.

In addition, the Plenary adopted the mutual evaluation reports of the anti money laundering and counter terrorist financing systems in the Kingdom of Saudi Arabia, India and Brazil, in addition to approving the Global Threat Assessment report. Part of the FATF's persistent efforts to identify gaps that allow violations in the global financial system, the plenary adopted two significant reports on the Global ML/TF Threat Assessment. Moreover, the publishing of a detailed examination of the risks of money laundering through money remitters and currency exchange providers, in addition to issuing a statement on Tax amnesty and Asset Repatriation programs.

### **The (FATF) Plenary Meeting in Paris**

The (MENAFATF) participated in the (FATF) Plenary Meeting held in Paris during the period from October 20<sup>th</sup> -22<sup>nd</sup>, 2010.

The (MENAFATF) President Mr. Samir Brahimi and the Executive Secretary Mr. Adel Al Qulish represented the Task Force in the plenary meeting as well as representatives of a number of member countries of the Task Force from Jordan, Algeria, Mauritania and Morocco had also attended the Plenary.

The Plenary produced two public documents as part of its on-going work to identify jurisdictions that may pose a risk to the international financial system. An update on AML/CFT improvements in Qatar and Azerbaijan was also provided. The Plenary adopted the MER of Argentina and issued a detailed study of ML operations carried out through the new payment methods and Trusts and Company Service Providers.

The Plenary produced a reference guide and information about using the FATF recommendations to support combating corruption, and provided an update on the preparations for the MER's fourth round of FATF.

In addition, the plenary meeting decided that Jordan has substantially addressed the strategic deficiencies identified in the FATF's Targeted Review done by the Regional Review Group of Africa and the Middle East (RRG) and has determined that it will no longer monitor Jordan through the ICRG monitoring process. Moreover, the government of the Hashemite Kingdom of

Jordan submitted a written commitment to continue implementing action plans of its anti money laundering and counter terrorist financing regime.

Realizing the importance of raising the qualification of the staff of the Anti Money Laundering and Counter Terrorist Financing Unit through their involvement in conferences and training courses. The Unit staff participated in many conferences and training courses organized by international and local institutions and entities.

### **Regional Seminar on Combating Money Laundering and Terrorist Financing**

A number of the Unit's staff attended the Regional Seminar on Combating Money Laundering and Terrorist Financing, which was held in Nicosia in Cyprus, and organized by the Central Bank of Cyprus in cooperation with the (Nederlandsche) Bank during the period from 28-29/1/2010, where the seminar discussed many of the practical topics related to Anti money laundering and terrorist financing legislation, the Regulatory and Supervisory authorities role in combating these crimes and the Belgian and Cypriot FIUs experience in this regard.

The seminar also discussed the International and European standards relevant to combating money laundering and terrorist financing, and both of (Nederlandsche) Bank and the Central Bank of Cyprus briefed the participants on the actions taken by each of them in the context of supervising banks' anti money laundering procedures and internal controls.

The conference brought together participants from Russia, Latvia, Armenia, Cyprus, Jordan, Lebanon, Malta, Italy, Netherlands, Bosnia, Bulgaria, Croatia, Estonia, Greece and Ukraine.

### **A Training Course Titled Financial Analysis Techniques of Money Laundering and Terrorist Financing Transactions**

A number of the Anti Money Laundering and Counter Terrorist Financing Unit employees participated in the "Financial Analysis Techniques of Money Laundering and Terrorist Financing Transactions" training course organized by the U.S Treasury, Office of Technical Assistance (OTA) during the period from May 23<sup>rd</sup>-26<sup>th</sup>, 2010, In addition to the participation of number of national authorities (the Central Bank of Jordan, law enforcement authorities and Customs Department).

The workshop discussed the financial indicators used in detecting the money laundering and terrorist financing transactions and transactional analysis related to money laundering and terrorist financing.

### **Workshop Titled Surveillance On The Financial Markets And Their Employees**

A number of the Anti Money Laundering and Counter Terrorist Financing Unit employees participated in a workshop titled "Surveillance on the Financial Markets and their Employees" in addition to the participation of a number of representatives from different regulatory commissions, Arab stock markets, the stock markets of the developing countries, International and Arab depository Centers, representatives of some Arab central banks in the developing countries and financial services companies of foreign and Arab countries in the above-mentioned workshop, in auspicious of the

Jordanian Securities Commission and its Counterpart the American Surveillance Commission during the period from June 14th-17th, 2010 at the Jordanian Securities Commission.

The workshop reviewed the experiences of the advanced countries in a number of topics including the inspection on the financial services companies, risk assessment, surveillance on the Securities Markets, inspection techniques, raising awareness on the mutual investment funds, studying the developments on the impact of the international financial crisis on the developing markets. Moreover, the subject of money laundering was also discussed in terms of money laundering crime, suspicion indicators, identifying crimes and fraud transactions which are committed through the financial markets and shell banks.

### **Leadership Training**

The Anti Money Laundering and Counter Terrorist Financing Unit participated at the 2010 Conference of the Anti Money Laundering and Counter Terrorist Financing Unit of Australia. The Conference was designed to provide Financial Intelligence Units with the basic information and necessary resources to be used to promote their work, particularly under the global challenges in this regard.

The Conference, which was held over 3 days from 21-23/6/2010 at the Malaysian capital Kuala Lumpur, addressed many of the topics that focused on the leadership roles and major activities of the Financial Intelligence Units such

as change management and how to respond to new legislation and legislative changes.

The participants were divided into 3 training groups for the purposes of developing the necessary knowledge and skills to promote the work of Financial Intelligence Units at the unit's level itself and at the local and global levels as well.

The Conference also provided an opportunity for participants to share the experiences of their Financial Intelligence Units through the mutual evaluation phase and the actions taken by them to address the decisions of the International Cooperation Review Group (ICRG) of the Financial Action Task Force.

### **The Lebanese Special Investigation Commission (SIC) Visit**

A number of staff from the Jordanian Anti Money Laundering and Terrorist Financing Unit visited the Lebanese Special Investigation Commission (SIC) which assumes the subject of anti money laundering in the Republic of Lebanon, to preview the operational and implementation duties which are undertaken by the Commission, best international practices in analyzing notifications on transactions suspected to be related to money laundering and terrorist financing and mechanisms of internal and international cooperation for disseminating information .

Furthermore, the staff of the Unit had studied the rich experience of the Lebanese special investigation commission in information technology and methods of protecting and securing information. In addition, the staff of the

Unit had visited the Anti Financial Crimes and Money Laundering Bureau which is established at the Lebanese Internal Security Forces to preview the coordination mechanism between the Anti Financial Crimes Bureau and the Lebanese (SIC).

### **Workshop Titled Enforcement Measures Against Money Laundering, Terrorist Financing and Other Financial Crimes**

The Anti Money Laundering and Counter Terrorist Financing Unit participated in a workshop conducted under the patronage of the Office of Technical Assistance (OTA), Department of the Treasury titled Enforcement Measures against Money Laundering, Terrorist Financing, and other Financial Crimes during the period from 26<sup>th</sup> – 29<sup>th</sup> July, 2010. A number of public prosecutors and judges had participated in the above-mentioned workshop .

The workshops addressed the Anti Money Laundering and Counter Terrorist Financing Law No. (46) for the Year 2007.

Moreover, the workshop addressed the sources of information regarding financial crimes cases especially money laundering and terrorist financing crime, banking documents analytical methods and other documents, in addition to the importance of international cooperation regarding investigation and prosecutions in money laundering and transnational crimes, and best practices in stolen assets recovery.

### **Participating in the Regional Conference for Financial Crimes in Beirut**

A Jordanian delegation from the Anti Money Laundering and Counter Terrorist Financing Unit, the Public Security Directorate, and the Jordanian Judicial Institute participated in a regional conference for financial crimes which was conducted in the Republic of Lebanon during the period from September 14<sup>th</sup> – 15<sup>th</sup>, 2010 .

The conference addressed various topics such as the investigation in financial crimes and money laundering crimes and predicate offences, and the role of security, judicial, and mutual legal assistance in combating those crimes .

### **Enforcement Measures Against Money Laundering, Terrorist Financing and other Transnational Crime**

The Anti Money Laundering And Counter Terrorist Financing Unit patronage a workshop which had been conducted by the Department of the Treasury, Office of Technical Assistance (OTA) with funding support from the United States Agency for International Development (USAID) during the period from September 26<sup>th</sup> - 28<sup>th</sup>, 2010. The workshop addressed various topics including following the money, the importance of a financial-based approach and international cooperation to crime fighting, the role of the financial intelligence unit structure, and functions in addition to FIU analytic methods and processes, law enforcement sources of information and investigative methods. Furthermore, the workshop discussed the importance of using mutual legal



assistance agreements, international conventions and other forms of international cooperation to "follow the money".

Moreover, His Excellency the Governor of the Central Bank of Jordan, Chairmen of the National Anti Money Laundering and Terrorist Financing Committee and His Excellency the U.S. Ambassador to Jordan inaugurated the workshop.

Delegations from Arab Republic of Egypt, Kingdom of Saudi Arabia, Palestinian Authority, Republic of Iraq, Republic of Lebanon, and Republic of Yemen participated in the workshop who enriched the workshop by displaying their countries experiences in the various topics addressed by the

### **A Workshop for Combating Money Laundering and the Financing of Terrorism**

A number of the Anti Money Laundering and Counter Terrorist Financing Unit staff attended a workshop held by (TAIEX) during the period from October 3rd-4th, 2010. The workshop addressed various topics such as the Forty recommendations and the Special Nine recommendations, investigating in the crimes of money laundering and terrorist financing in addition to the importance of internal and international cooperation .

The workshop has focused upon the theme of cross-border moveable money.

### **The Fourth Workshop “Training Assessors” during the Period October 3 – 7, 2010**

The Anti Money Laundering and Counter Terrorist Financing Unit participated in the forth workshop on “Training Assessors” held by the

Middle East and North Africa Financial Action Task Force (MENAFATF) in collaboration with

the SIC in Lebanon, International Monetary Fund and the World Bank, during the period October 3-7, 2010 in Beirut / Lebanon.

The workshop aimed at training the participants to assess the systems of combating money laundering and terrorist financing in member countries of the Middle East and North Africa Financial Action Task Force (MENAFATF) using the evaluation methodology in order to determine the extent of commitment of Member States of the recommendations issued by the Financial Action Task Force (FATF) to combat money laundering and the financing of terrorism

### **The International Anti Tax Evasion Training Program**

A training program titled "The International Anti Tax Evasion" under the auspicious of the USAID/ Fiscal Reform (2) Project was held during the period from November 6th-11th, 2010. The Anti Money Laundering and Counter Terrorist Financing Unit employees attended the mentioned training program, in addition to a number of other Jordanian authorities such as "the Jordanian Customs, Ministry of Justice, Income and Sales Tax Department and law enforcement authorities.

The training program addressed basically the International Anti Tax Evasion program, in addition to the proof of income through the direct and indirect proof methods, money laundering, the international banking and the hard ware's used in financial crimes.

Furthermore, the training program addressed the indicators of tax evasion and there are several tax evasion indicators regarding the income and expenditure or deduction, account books, records, income allocations, charge of conduct including failure to report about large amounts of income, concealing bank accounts, claim of false deduction, non-book keeping, non-record keeping in addition to distributing profits on false partners, providing false statements and trying to bribe the inspector.

#### **A Workshop Titled Risk Assessment and Identification of Money Laundering and Terrorist Financing**

A number of Anti Money Laundering and Counter Terrorist Financing Unit Staff participated in a workshop conducted by the Australian Transaction Report and Analysis Center (AUSTRAC), in collaboration with the Australian Embassy in Amman, titled " Risk Assessment and Identification of Money Laundering and Terrorist Financing" during the period from November 22nd-24th,2010.

The workshop addressed the money laundering and terrorist financing methods and techniques, following the money and the proceeds with good intelligence and improving the intelligence methods in money laundering and/or terrorist financing transactions, in addition to addressing the axes of analysis and required information for risk assessment and identification.

Furthermore, the workshop addressed risks identification of money laundering and terrorist financing from exploiting the financial and non-financial sectors and the services they provide, best practices in addressing and mitigating those risks in order to have a strong anti money laundering and counter terrorist financing regime in consistent with the international standards and recommendations of combating money laundering and terrorist financing.

#### **Advanced Training Workshop Entitled "Financial Analysis Techniques of Money Laundering and Terrorist Financing"**

The Anti Money Laundering and Counter Terrorist Financing Unit, Central Bank of Jordan, Law Enforcement Agencies and the General Customs Department attended a workshop organized by the U.S. Department of Treasury in cooperation with the Anti-Narcotics and Law Enforcement of the U.S. Department of State during the period from 12<sup>th</sup> – 14<sup>th</sup> /12 /2010.

The workshop addressed many issues such as the financial indicators used in the detection of money laundering and terrorist financing, analysis of financial transactions related to money laundering and terrorism financing and the international cooperation mechanisms to combat such crimes.

The workshop included practical cases on the mentioned topics that were followed by a discussion of those cases, and then providing appropriate solutions by the participants.



The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism, adopted new procedures in June 2009 for identifying and working with jurisdictions with significant deficiencies in their AML/CFT regime. The objective of these procedures, which will be managed by the FATF's International Cooperation Review Group (ICRG), is to protect the international financial system from money laundering and terrorist financing (ML/FT) risk and to encourage greater global compliance with the international standards for AML/CFT.

At the February 2010 FATF Plenary, FATF members agreed that Jordan warrants further review with respect to the international standards for AML/CFT, due to the result of the Mutual Evaluation of Jordan, where Jordan was identified as (non-complaint) and (partially complaint) in (14) out of (16) core and key recommendations.

Accordingly, the International Cooperation Review Group (ICRG) assigned to the Regional Review Group of Africa and the Middle East (RRG) to start the review process with Jordan in February 2010 throughout October 2010 during which the strategic deficiencies as identified in the Mutual Evaluation Report of the Kingdom, which was adopted by the MENAFATF in May 2009, were being addressed by the competent authorities in fighting money laundering and terrorist financing (Anti Money Laundering and Counter Terrorist Financing Unit, Central Bank of Jordan, Ministry of Justice, Ministry of Interior, Ministry of Social Development, Ministry of Finance,

Companies Control Directorate, Insurance Commission and the Jordan Securities Commission). The measures undertaken can be summarized by the following:-

- Amending the Anti Money Laundering and Counter Terrorist Financing Law by criminalizing Terrorist Financing; extending the range of predicate offences to include all offences which are crimes (misdemeanors of felonies); granting the Unit greater independence; increasing the range of covered entities to include a broader range of financial institutions and non financial businesses and professions; introducing measures in relation to freezing, seizing and confiscation.
- Adopting instructions and formalizing the procedures for implementing the obligations under the UNSCRs 1267 (1999) and 1373 (2001).
- Issuing and/or amending AML/CTF instructions and guidelines to a range of financial institutions and DNFBPs (Banks, Money Exchange, Insurance, Securities, Financial Leasing, Real Estate, and Jewelry), by the competent authorities, and adopting AML/CTF inspection manuals by the Central Bank of Jordan and the Insurance Commission, and the Jordan Security Commission.
- Other measure where undertaken by other competent authorities to enhance the anti money laundering & counter terrorist financing regime in the Kingdom such as; the Ministry of Social Development (Amending

the Societies Law), Companies Control Directorate (Adopting the Beneficiary Owner Declaration Form), Ministry of Justice (Adopting the Mutual Assistance Procedures, and endorsing the Palermo Convention), Customs Department (Activating the Cross Border Movable Declaration).

Finally, the Unit took several procedures for the fact that it is the concerned authority to combat money laundering and terrorist financing. Taking into consideration the importance of cooperation between national authorities for the purposes of combating crime in general and money laundering and terrorist financing in particular, the Unit had signed several MOUs and/or setting mechanism for coordination and reinforcement of cooperation in order to exchange information with several national authorities including the Public Security Directorate, Lands and Survey Department, Civil Status and Passports Department. In addition, the data base of the Unit has been extended to include the International data bases which help in detecting persons suspected to be related to money laundering or terrorist financing transactions received by the Unit from entities obliged to report pursuant to the provisions of the Anti Money Laundering and Counter Terrorist Financing Law. Furthermore, the Unit organized and/or participated in several programs and training courses for the purpose of capacity building for the Unit's employees and/or employees of the regulatory and supervisory competent authorities concerned with anti money laundering and counter terrorist financing, in

addition to the prosecutors generals, judges and law enforcement authorities.

The Government also submitted a political commitment to continue the progress in implementing AML/CTF reforms that meet the international standards in this regard and to fully engage with the (FATF) and (MENAFATF), including in the follow-up report to the (MENAFATF) during 2011.

For the fact that the Hashemite Kingdom of Jordan has taken appropriate legislatives and administrative steps to address all the strategic deficiencies indentified at the outset of the targeted review which was conducted by the Africa-Middle East Regional Review Group (RRG) on October 22<sup>nd</sup>, 2010, the (FATF) determined that it will no longer monitor Jordan through the (ICRG) monitoring process .

Previously, a delegation from the Anti Money Laundering and Counter Terrorist Financing Unit, under the chairmanship of the Chief of the Unit/ Mrs. Dana T. Junbulat had participated in Africa – Middle East Regional Review Group (RRG) held in Doha, Qatar during the period from September 28<sup>th</sup> – 29<sup>th</sup>. 2010 for discussing the "Targeted" Review Reports of the Hashemite Kingdom of Jordan.

According, Kindly find:-

- Prima Facia Report
- Targeted Review Report

- Letter from the FATF President.
- Jordan's Political Commitment.
- The Middle East and North Africa Financial Action Force (MENAFAT) Tribute of Jordan's Efforts in CML and TF

**Africa/Middle East Regional Review Group: *Prima Facie* Review**

|  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
|--|----|----|---|--|----|----|----|----|----|----|----|--------------------------|----|-----|----|--|
| <b>Jurisdiction: The Hashemite Kingdom of Jordan</b>   |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b>Key data</b>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b>FATF/FSRB membership:</b> MENAFATF  |    |    |   |  |    |    |    |    |    |    |    | <b>Date joined:</b> 2004 |    |     |    |  |
| <b>Mutual Evaluation</b>   |    |    |   | <b>Date of on-site: July 2008 (MENAFATF)</b> |    |    |    |    |    |    |    |                          |    |     |    |  |
|  |    |    |   | <b>Date of adoption of report: May 2009</b>  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b>Ratings for core and key Recommendations</b>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b>Rec.</b>  | 1  | 3  | 4 | 5  | 10 | 13 | 23 | 26 | 35 | 36 | 40 | I                        | II | III | IV | V  |
| <b>Rating</b>  | PC | PC | C | PC   | LC | PC | PC | PC | PC | PC | PC | NC                       | PC | NC  | NC | NC   |
| <b>I. Reason for <i>prima facie</i> review</b>   |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| 14 of the 16 core and key recommendations are rated as PC or NC  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b>II. Summary of recommendation to ICRG</b>   |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| The RRG currently has no confirmed recommendation on whether or not to carry out a targeted review, but will provide one at the ICRG meeting (see the reasons in section IX).  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
|  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    | <b>Sources</b>                               |
| <b>III. Size and integration of the jurisdiction's financial sector</b>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b><u>Banking &amp; Finance</u></b>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    | 2009 MER and regulatory authority statistics |
| <p>Jordan maintains an economy that is very open to the international investment markets, with the availability of a wide range of financial services. Banking represents the most important and largest component of the financial sector (and the economy in general), and is one of the most developed in the Middle East. The banks have played a major role in driving Jordan's economic growth rates through gathering national savings and using them in financing the productive economic sectors. Total banking assets at end-2009 reached US\$45.1 billion, representing 196.5% of the Gross Domestic Product.</p> <p>There are 25 licensed banks in Jordan distributed as follows: 16 Jordanian banks (including three Islamic banks), and 9 foreign banks (of which 6 are Arab banks), with a local network of around 616 branches and 66 offices.</p> |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b><u>Insurance Sector</u></b>   |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <p>The insurance sector contributed about 2.25% of GDP in 2009, and has continued to grow in recent years. All insurance companies operating in Jordan are publicly-owned Jordanian companies, except for one foreign company which specialises in life insurance. The sector consists of 28 insurance companies (including both general and life companies), 515 agents, and 84 brokers.</p>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <b><u>Capital Markets</u></b>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |
| <p>Although the Amman Stock Exchange is relatively small, it has developed strongly in recent years, with some 272 companies listed, and a trading volume of USD13.8bn in 2009 (mostly relating to the financial sector).</p>  |    |    |   |  |    |    |    |    |    |    |    |                          |    |     |    |  |

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|---|-----------------------|
| <p><b>IV. Status of efforts to criminalise ML and TF</b></p>  |                       |
| <p>The following describes the position at the time of the adoption of the MER in May 2009. Subsequent developments are addressed in section VII.</p> <p><b><u>Criminalising ML</u></b></p> <p>Jordan criminalised ML with the issuance of Law No. (46) of 2007 (AML Law), although ML in relation to insurance activities had originally been criminalised in 2002 under Provisional Law No. (67).</p> <p>MENAFATF’s 2009 mutual evaluation report (MER) identified a number of important deficiencies in the AML Law. The Law conformed to the Vienna and Palermo Conventions in the description of the physical and moral elements. However, the predicate offences for ML did not include a significant number of the categories of crimes required under the standard, specifically: blackmail, human trafficking, sexual exploitation (including of children), illicit trade in stolen goods, environmental offences, piracy of products, smuggling, fraud, piracy, market manipulation and terrorist financing (in part). Under the AML Law predicate offences for ML were restricted to felonies (generally offences with a minimum term of imprisonment of three years) and those offences covered by international agreements to which Jordan is a party and which are offences under Jordanian law. Many of the predicates not covered by the AML Law were either acts that were not criminalised or that were not considered to be felonies.</p> <p>While the AML law applied to any properties directly or indirectly derived from committing a predicate offence, Jordanian law required a conviction under a predicate offence before the subsequent act of money laundering can be proven.</p> <p><b><u>Criminalising TF</u></b></p> <p>Article 3 of the Terrorism Prevention Law issued in November 2006 criminalised terrorism financing by considering TF to be a terrorist act. However, the MER identified several key deficiencies, including: the scope of the TF offence did not extend to the provision or collection of funds by terrorist organisations or individual terrorists if there was no proof that those funds were going to be directed to the commission of a terrorist act; the concept of what constitutes funds was not clear and fell short of that required by the standard; and the sanctions for natural and legal persons who commit TF acts were not considered to be dissuasive or proportionate.</p> <p>The MER also notes a number of major deficiencies in the structure of the TF provisions which fundamentally impact compliance with all the Special Recommendations. For instance, the AML Law did not empower the FIU to receive STRs related to TF.</p> | <p>2009 MER</p>       |
| <p><b>V. ML/TF risks and threats</b></p>  |                       |
| <p>While the crime rate is relatively low, Jordan is affected by regional trafficking in narcotics and the recurrent entry of terrorists from various nationalities across the border from Iraq. Jordan’s location, geostrategic position in the Middle East and its role in the peace process in the region have resulted in the risk of activities, such as the formation of terrorist groups, networks and cells that feed the terrorist activities in the region.</p> <p>In a 2002 report to the UN Security Council, Jordan indicated the presence of some terrorist organisations and cells in Jordan. Jordan itself has been exposed to terrorise</p>  | <p>MER</p> <p>MER</p> |



|   |   |
|---|---|
| <p>actions, the last of which was in 2005 when Al-Qaeda (in Iraq) was responsible for explosions that occurred in various hotels.</p> <p>Jordan has long and remote desert borders, and is in close proximity to the conflict in Iraq. This geography makes it susceptible to smuggling of contraband, particularly of antiquities from Iraq, and the trafficking and illegal trade of arms, ammunition, explosives, poisonous and radioactive substances. However, there is insufficient information to quantify such activity.</p> <p>As mentioned above, Jordan possesses an open and sophisticated financial sector compared with the rest of the region. Recently, the recurrence of speculative transactions in foreign stock exchanges, and multiple fraud cases connected to this activity have raised concerns among the authorities, prompting them to expedite the promulgation of the Law on Regulating the Dealing in International Stock Exchanges (Law No. 49 of 2008).</p> <p>Corruption is not generally regarded to be a serious problem in Jordan, which is listed at number 49 (out of 180) in the 2009 Transparency International Corruption Perception Index.</p>   | <p>MER</p> <p>MER</p> <p>Transparency International</p> |
| <b>VI. Stage within any relevant FSRB follow-up procedure</b>   |   |
| <p>The MER was adopted by MENAFATF in May 2009 and Jordan was placed in the regular follow-up process. Jordan will present its first follow-up report in May 2011.</p>  |   |
| <b>VII. Efforts to reform AML/CFT deficiencies</b>  |   |
| <p>Jordan has reported taking several steps in response to the deficiencies indicated in its MER, which include:</p> <ul style="list-style-type: none"> <li>- The issue of a Royal Decree on 28 April 2010 (as a temporary law since Parliament was not sitting) approving a cabinet decision to amend the AML Law. This is understood to have come into effective upon its publication in the Official Gazette on 2 May. An “official” English text of the decree has not been seen by the review group, but the key amendments are understood to include: <ul style="list-style-type: none"> <li>• extending the range of predicate offences to include all offences (committed both in Jordan and abroad) which are crimes (misdemeanours or felonies) in Jordan. However, it remains unclear whether this now captures all the required categories of predicate offences, and whether it remains the case that conviction for the predicate offence is required in order to prove the ML offence;</li> <li>• extending the TF offence to include the collection or provision of funds to a terrorist or a terrorist organisation, or for a terrorist act. However, the provision of such funds must be linked to the commission of a terrorist act;</li> <li>• granting the FIU greater independence and expanding its role to include receipt of STRs in relation to TF;</li> <li>• increasing the penalties for both ML and TF offences;</li> <li>• extending the range of covered entities to include a broader range of financial institutions and non financial businesses and professions;</li> </ul> </li> </ul> | <p>Submission by Jordanian authorities</p>              |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• introducing various provisions relating to CDD, record-keeping and suspicious transaction reporting;</li> <li>• elaborating on the role of the various competent authorities;</li> <li>• introducing measures in relation to freezing, seizing and confiscation in relation to both ML and TF; and</li> <li>• giving the National AML/CFT Committee the obligation to make provisions for the implementation of Jordan’s international obligations, although it is not known whether specific procedures are in place to implement the obligations under UNSCRs 1267 and 1373.</li> </ul> <ul style="list-style-type: none"> <li>- The issuance of Regulation No. (40) of 2009, which determines the duties and functions of the FIU. This allowed it to pass a budget and continue building its capacity, including its IT infrastructure, staffing and physical workspace.</li> <li>- The adoption (with effect from 1 March 2010) of a cash declaration system at the borders, which requires declaration of JD 15,000 (about USD 21,000 or €16,000) or more, or equivalent in foreign currency, negotiable instruments and precious metals. However, this declaration system still only pertains to inbound cash.</li> <li>- The issue by the competent authorities of AML/CFT instructions and guidelines to a range of financial institutions and DNFBPs, although these will have to be updated now that the new AML/CFT decree has been gazetted.</li> <li>- The adoption of AML/CFT inspection manuals by the Central Bank of Jordan and the Insurance Commission.</li> <li>- The introduction of amendments to the Societies Law to address potential abuses of the NPO sector.</li> </ul> <p>The authorities are currently receiving or negotiating three technical assistance projects:</p> <ul style="list-style-type: none"> <li>– A programme, to be delivered under the IMF’s Topical Trust Fund, to be based on the results of a diagnostic study to identify progress since the last mutual evaluation;</li> <li>– An AML/CFT capacity-building workshop for the Customs Department, to be delivered under the European Commission’s TAIEX programme; and</li> <li>– A project, sponsored by the US Department of the Treasury, targeting the law enforcement and judicial authorities.</li> </ul> |   |
| <b>VIII. Additional information</b>   |   |
| <p>While Jordan has a number of provisions in its laws relating to mutual legal assistance, the MER notes that the deficiencies in the ML and TF legislation impact the dual criminality requirement, and the report highlights the slowness of the procedures needed to respond to requests for cooperation in respect of both ML and TF, resulting from the lack of clear procedures for following up on mutual legal assistance requests. The Jordanian authorities report that the Ministry of Justice has now set up operational procedures for dealing with mutual legal assistance requests.</p> <p>In May 2009 Jordan ratified and implemented the UN Convention Against Transaction Organized Crime (Palermo Convention).</p> <p>Jordan is a founding member of the MENAFATF. It has been a very supportive member of MENAFATF since its inception in 2005 and held the presidency in 2007.</p>  | <p>MER</p> <p>Submission by Jordanian authorities</p> |

## **IX. Detailed Recommendation to ICRG**

Jordan appears to have made substantial progress with the introduction, in May 2010, of the Royal Decree amending the AML/CFT law. However, there are four key questions that remain unresolved, and on which the RRG has not yet obtained adequate clarification, specifically:

- (a) Have adequate measures been taken to extend the range of predicate offences for ML?
- (b) Is conviction for the predicate offence still required before a ML conviction can be obtained?
- (c) Is the TF offence necessarily linked to a terrorist act, as appears to be the case from the text of the decree?
- (d) Have any practical procedures been introduced to ensure effective implementation of the obligations under UNSCRs 1267 and 1373?

The RRG is continuing discussions with the Jordanian authorities on these issues. If, by the time of the ICRG meeting, the RRG has been unable to obtain confirmation that these issues have been adequately resolved, it will recommend that a targeted review be undertaken.

## JURISDICTION: HASHEMITE KINGDOM OF JORDAN

### TARGETED REVIEW

|   |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
|---|----|----|---|----|----|----|----|----|----|----|----|----|----|-----|----|
| <b>FATF/FSRB membership:</b> MENAFATF since 2004  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <b>Reasons for initial referral to ICRG:</b> 14 of the 16 core and key Recommendations are rated as PC or NC  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <b>Date of adoption of last mutual evaluation:</b> May 2009   |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <b>Date of on-site mutual evaluation:</b> July 2008   |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <b>Ratings for core and key Recommendations: No ratings available.</b>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <b>Rec.</b>   | 1  | 3  | 4 | 5  | 10 | 13 | 23 | 26 | 35 | 36 | 40 | I  | II | III | IV |
| <b>Rating</b>   | PC | PC | C | PC | LC | PC | PC | PC | PC | PC | PC | NC | PC | NC  | NC |
| <b>I. Strategically Important Deficiencies</b>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <i>This section should identify the key deficiencies which, when coupled with the characteristics of the jurisdiction's financial sector and its ML/FT threat profile, constitute a significant deficiency for prioritized action.</i>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <u>Financial sector background</u>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <p>Jordan maintains an economy that is very open to the international investment markets, with the availability of a wide range of financial services. Banking represents the most important and largest component of the financial sector (and the economy in general), and is one of the most developed in the Middle East, comprising 16 Jordanian banks (including three Islamic banks), and 9 foreign banks, with a local network of around 616 branches and 66 offices. Total banking assets at end-2009 were US\$45.1 billion. The insurance and securities sectors are relatively small, although the Amman Stock Exchange has developed strongly in recent years, with some 272 companies listed, and a trading volume of USD13.8bn in 2009 (mostly relating to the financial sector).</p>   |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <u>Money laundering</u>   |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <p>MENAFATF's 2009 mutual evaluation report (MER) identified a number of important deficiencies in criminalisation of the money laundering offence under the AML Law (Law No. 46 of 2007):</p>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <ol style="list-style-type: none"><li>1. The predicate offences for ML did not include a significant number of the categories of offences required under the standard, specifically: blackmail, human trafficking, sexual exploitation (including of children), illicit trade in stolen goods, environmental offences, piracy of products, smuggling, fraud, piracy, market manipulation and terrorist financing (in part). Under the AML Law predicate offences for ML were restricted to felonies (generally offences with a minimum term of imprisonment of three years) and those offences covered by international agreements to which Jordan is a party and which are offences under Jordanian law. Most of the predicates not covered by the AML Law were defined as misdemeanours (rather than felonies) under Jordanian law, while the assessors could not find evidence that some of the required predicate offences had been criminalised at all. (R. 1)</li><li>2. While the AML law applied to any properties directly or indirectly derived from the commission of a predicate offence, the assessors concluded that a conviction for a predicate offence would be required before money laundering could be proven. However, the law was not specific on this issue, and there was, as yet, no case law to clarify the situation. (R. 1)</li></ol> |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <u>Terrorist financing</u>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |
| <p>The MER identified several key deficiencies related to the Special Recommendations on terrorist financing, including:</p>  |    |    |   |    |    |    |    |    |    |    |    |    |    |     |    |

1. The scope of the TF offence, as covered by the Terrorism Prevention Law of 2006, did not extend to the provision to, or collection of funds by terrorist organisations or individual terrorists, if there was no proof that those funds were going to be directed to the commission of a terrorist act. (SR II)
2. The Terrorism Prevention Law did not contain a definition of what constitutes “funds”, and the concept within Jordan’s general legislation was too restrictive. (SR II)
3. The sanctions for natural and legal persons who commit TF acts were not considered to be dissuasive or proportionate, and did not extend to the confiscation of funds. (SR II)
4. Under the AML Law the scope of the FIU’s mandate was limited to ML, and it was not empowered to receive STRs related to TF. (R13, R26 and SR IV)
5. There were no statutory provisions or effective procedures for implementing the obligations under UNSCRs 1267 and 1373. (SRI and SR III)

### Resources

The MER also commented on the lack of financial, human and technical resources at the FIU. (R26)

## **II. Current Situation Regarding Important Deficiencies**

*This section should also include a detailed discussion of the current situation with regard to the deficiencies, the initial rating, and explanation of any progress made in recent years to address the deficiency.*

### Legislation

A Royal Decree was issued on 28 April 2010, (as a temporary law<sup>9</sup> since Parliament was dissolved and is not due to reconvene until after elections in November) approving a cabinet decision to amend the AML Law. The decree came into effect on 2 May, when it was published in the Official Gazette, and addresses several of the strategically important deficiencies. A second Royal Decree was gazetted on 21 September 2010 to address two further issues identified in discussion with the RRG. This measure, together with certain other developments, impact the Recommendations as follows:

### Recommendation 1

- The range of predicate offences has been extended to include all offences (both misdemeanours and felonies) which are crimes in Jordan, whether committed in Jordan or abroad. The inclusion of misdemeanours as predicate offences now captures blackmail, fraud, sexual exploitation (including of children), illicit trade in stolen goods, piracy of products, environmental crimes, smuggling, and market manipulation (although some aspects of some of these offences are felonies and were already captured under the previous AML legislation). In addition, legislation on human trafficking has been enacted since the onsite visit took place in July 2008, and, as noted below, the scope of the TF offence has been expanded by the Royal Decree. The categories of predicate offences for ML now comprise all those included in the FATF’s list, and there appears to be a reasonable range of offences in each category.
- The first two indictments (under the 2007 AML law) were brought in January and April 2010. In both cases the predicates were committed outside Jordan. One conviction has so far been

<sup>9</sup> In Jordan, a temporary law is fully enforced and enacted. Parliament has the right to review the law and may approve, amend or reject the law whenever it decides to allocate time for its consideration. However, there are currently a number of temporary laws that have never been reviewed or discussed by any sitting Parliament over many years. These laws remain in effect until such time as Parliament approves, amends or rejects them.

achieved (involving two defendants), attracting a sentence of three years' hard labour, a fine of 10,000 dinars and confiscation of the proceeds. The conviction for ML was achieved without the need for a conviction for the predicate offence. Similarly, the case still pending is being brought on the basis that there will be no need to obtain a conviction for the predicate. On 21 September, a Royal Decree was published, specifying explicitly that a conviction for the predicate offence is not a pre-condition for establishing the ML offence.

#### Recommendations 13, 26 and Special Recommendation IV

- Additional provisions have been included on the role, structure and independence of the FIU, which is given specific responsibilities with respect to TF, in line with those that it has for ML. The expansion of the FIU's responsibilities with respect to TF include the authority to receive, analyse and disseminate STRs; to apply temporary freezing orders; to require the submission of additional information from reporting entities; and to exchange information with counterparts. The FIU is also granted administrative and financial independence, (e.g. the head of the FIU is appointed by the National AML/CFT Committee, the financial resources are allocated under the national budget, and the staffing arrangements have been separated from those of the Central Bank). The staffing of the FIU has been increased from three people at the time of the MER to twelve at present, and exceptional approval has been given by the Prime Minister to add another ten positions.

#### Special Recommendation II

- The TF offence has been expanded to include the collection or provision of funds to an individual terrorist or a terrorist organisation, or for a terrorist act (whether or not the act actually occurred). The Royal Decree of 21 September removed the previous limitation that the provision of funds had to be linked to the commission of a terrorist act.
- "Funds" has been defined in line with the term used in the Terrorist Financing Convention.
- Penalties have been increased for the TF offence, which is punishable by temporary hard labour of not less than ten years, plus a fine of at least 100,000 dinars and confiscation of all relevant funds and instrumentalities.

#### Special Recommendations I and III

- General measures have been introduced to provide for the freezing, seizing and confiscation of funds related to TF (and ML). The National AML/CFT Committee has also been given the obligation to make provisions for the implementation of Jordan's international obligations, through instructions to be issued under article 37(c) of the new law. Instructions laying down procedures for the implementation of obligations under UNSCRs 1267 and 1373, and establishing a "technical committee" to oversee the process, were published on 23 August 2010. These are broadly in line with the requirements of SR III.

#### Capacity-building (affecting several of the above Recommendations)

The authorities have indicated that, in order to build the capacity of the different agencies involved in AML/CFT and to raise awareness generally, the following courses, workshops and study visit were conducted.

- A Financial Analysis Techniques course was held on 23 May, 2010, with the participation of different entities, including the AML/CTF Unit, related security agencies, Jordanian Customs Department and the Central Bank of Jordan.
- A programme on Enforcement Measures against Money Laundering, Terrorist Financing and Other Financial Crimes was held on 27-28 July, 2010 involving AML/CTF Unit employees, Public Prosecutors and Judges.
- A number of AML/CTF Unit employees visited the Lebanese FIU (SIC) during the period 12-13 July 2010.

- Representatives of the Securities Commission, Insurance Commission and Central Bank attended an advanced AML/CFT Regulatory Training Course from 19-23 July 2010, in the United States.

### III. Underlying Reason for Deficiencies

*This section should provide detailed analysis of the specific factors that have resulted in the strategically important AML/CFT deficiencies (e.g. lack of political will, capacity restraint, insufficient AML/CFT legislation, lack of proper implementation, etc.).*

While, at the time of the mutual evaluation, Jordan had an established legal and regulatory framework to address the basic components for an AML/CFT regime, the MER noted that the legislation and implementing regulations lacked some of the specific requirements of the FATF standard, and that there were some capacity constraints within the FIU. Since its engagement with the RRG, Jordan has amended the AML/CFT law twice by issuing Royal Decrees to address the strategic deficiencies that were identified in the legislation, has restructured and strengthened the FIU, and has formalised its procedures for meeting its obligations under UNSCRs 1267 and 1373.

Jordanian authorities have been fully engaged with the RRG throughout the ICRG process, and have been very responsive at both the political and operational level.

### IV. Actions Needed to Address Deficiencies

*This section should prioritize actions that the jurisdiction should take in order to address the deficiencies identified and provide a timeline within which those actions should be completed.*

| Action  | Timeline |
|---|----------|
| The Jordanian authorities have taken appropriate legislative and administrative steps to address the strategic deficiencies identified at the outset of the targeted review. Implementation of the new measures, and the continued development of the existing resources, will be an ongoing process. | Ongoing  |
|   |          |
|   |          |
|   |          |

The above report and action plan address the strategic deficiencies identified by the ICRG. This does not mean that there are not other AML/CFT deficiencies. It is expected that the jurisdiction will continue to work to address the broader range of deficiencies.



وزارة المالية

Res: 12 / 1 / 16 / 25731  
Date: 2010/10/13 الرقم  
التاريخ  
الموافق



**Mr. Luis Urrutia**  
**President**  
**Financial Action Task Force**

**Dear Mr. Urrutia,**

Reference is made to your letter dated October 12<sup>th</sup>, 2010 regarding the work of the FATF in connection with Jordan. As you are aware, in 2008 Jordan was subject to the Mutual Evaluation which was conducted by the MENAFATF and adopted in May 2009. This being said, we in Jordan, whether as the Government of the Hashemite Kingdom of Jordan, the National Anti Money Laundering and Counter Terrorist Financing Committee or the Anti Money Laundering and Counter Terrorist Financing Unit consider the Mutual Evaluation Report (MER) as our Road Map as it outlined the deficiencies in our AML/CTF regime.

In February 2010, we were notified that the FATF members agreed that Jordan warrants further review with respect to the international standards for AML/CFT, to be conducted by the RRG to produce an initial report for the ICRG's consideration during its June 2010 meeting; and that in June 2010, the FATF decided that a more focused or Targeted Review should be conducted for our jurisdiction.

Since May 2009 major progress has been made to address the strategic deficiencies that were identified in the MER, most important of which is amending the Anti Money Laundering and Counter Terrorist Financing Law twice by issuing Royal Decrees in May and September 2010; adopting Instructions, formalizing the procedures, for implementing the obligations under the UNSCRs No. 1267 (1999) and 1373 (2001) by the National Anti Money Laundering and Counter Terrorist Financing Committee in August





..... الرقم  
..... التاريخ  
..... الموافق

2010, and restructuring and strengthening the Anti Money Laundering and Counter Terrorist financing Unit (FIU).

As indicated in the Targeted Review Report the Jordanian authorities have been fully engaged with the RRG throughout the ICRG process, and have been very responsive at both the political and operational level, nevertheless, I would like to take this opportunity to assure you of and to reaffirm the commitment of the Government of the Hashemite Kingdom of Jordan in complying with the FATF recommendations, accordingly, in continuing the progress in implementing AML/CFT reforms that meet the international standards and to fully engaging with the FATF and MENAFATF, including in the Mutual Evaluation follow up process which will be presented in May 2011.

Best regards,

**Prof. Dr. Walid Maani**  
**Acting Minister of Finance**



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## THE PRESIDENT

Mr. Mohammad Abu Hammour  
Minister of Finance  
P.O. Box 85 Amman 11118  
Fax: +962 6 4643121  
E-mail: [minister@mof.gov.jo](mailto:minister@mof.gov.jo)

8 November 2010

Your Excellency,

I refer to my letter of 12 October 2010 requesting your Government's political commitment based on the outcome of the FATF's more focused or "targeted" review of Jordan's AML/CFT regime.

I thank you for your government's response to this letter dated 13 October 2010 in which the acting Minister of Finance expressed your government's political commitment to continue the progress in implementing AML/CFT reforms that meet the international standards and to fully engage with the FATF and MENAFATF, including in the Mutual Evaluation Follow-up Process.

On the basis of Jordan's efforts to reform its AML/CFT deficiencies, including through amending its AML/CFT Law twice through Royal Decree, restructuring its FIU, and formalising its procedures for meeting its obligations under UNSCR 1267 and 1373, the FATF decided that Jordan has substantially addressed the strategic technical deficiencies identified in the FATF's Targeted Review. As a result, the FATF has determined that it will no longer monitor Jordan through the ICRG monitoring process. The FATF encourages your government to work with MENAFATF to implement the recent AML/CFT reforms and continue to address the full range of AML/CFT issues identified in its Mutual Evaluation Report. If progress does not continue, or if there are new ML/FT concerns arising from Jordan, the FATF could again discuss the situation in Jordan.

The FATF has appreciated your cooperation and assistance throughout this. Please do not hesitate to contact me through the FATF Secretariat ([ICRG@fatf-gafi.org](mailto:ICRG@fatf-gafi.org)) should you have any questions.

Please accept, your Excellency, the renewed assurances of my highest consideration.

Yours respectfully,

Luis Urrutia

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Ministry of Finance  
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President Office

مكتب الرئيس

الرقم: م ف/١٠٠/٢٣٧/٢٠١٠  
التاريخ: ٢٥ أكتوبر ٢٠١٠م

معالي الدكتور/ أمية طوقان  
المحافظ ورئيس اللجنة الوطنية لمكافحة غسل الأموال  
البنك المركزي الأردني  
ص.ب: ٣٧  
عمان ١١١١٨  
المملكة الأردنية الهاشمية

السلام عليكم ورحمة الله وبركاته،

يسعدني الإشارة إلى قرار مجموعة العمل المالي بتاريخ ٢٢ أكتوبر ٢٠١٠م باستبعاد المملكة الأردنية الهاشمية من عملية المراجعة المستهدفة وذلك بناء على توصية فريق مراجعة التعاون الدولي (ICRG) نظراً لقيام المملكة الأردنية الهاشمية باتخاذ الخطوات التشريعية والإدارية المناسبة لمعالجة جميع المسائل ذات القصور الاستراتيجي التي تمت إشارتها ضمن عملية المراجعة المستهدفة التي قام بها فريق المراجعة على مستوى أفريقيا والشرق الأوسط.

وفي هذا الخصوص يشرفني أن أقدم التهنة لمعاليتكم ولجميع المسؤولين في المملكة الأردنية الهاشمية بشأن هذا الانجاز الهام الذي حققته المملكة الأردنية الهاشمية في التعامل وفي فترة وجيزة مع مسار فريق مراجعة التعاون الدولي لتجنب التأثيرات السلبية على المكانة المتميزة التي تحظى بها المملكة الأردنية الهاشمية في المجتمع الدولي وعلى فرص الاستثمار في ظل عولمة الاقتصاديات وحساسية الأسواق جراء الأزمة المالية العالمية الأخيرة.

كما يسرني أن أؤكد على تأثير هذا الانجاز على صورة المنطقة بأكملها لدى المؤسسات الدولية العاملة في المجال والمراقبين الدوليين، وعلى مكانة مجموعة العمل المالي لمنطقة الشرق الأوسط وشمال أفريقيا بين المجموعات الإقليمية النظيرة. وإنني واثق من أن المملكة ستواصل العمل لدعم الشفافية وأنطلع للعمل معكم دائماً لاستكمال نظام مكافحة غسل الأموال وتمويل الإرهاب ضمن إجراءات عملية المتابعة المعتمدة من قبل المجموعة.

وتفضلوا معاليتكم بقبول فائق التحية والاحترام،،،

رئيس "المجموعة"  
سمير إبراهيمي



**The Anti Money Laundering & Counter Terrorist Financing Law in force determined the Entities Subject to its provisions and obliged to report about transactions suspected to be related to Money Laundering & Terrorist Financing, which are as follows:-**

**A. Financial entities:-**

1. Banks operating in the Kingdom.
2. Exchange companies and money transfer companies.
3. Persons or companies exercising any of the activities subject to the supervision and licensing of the Securities Commission..
4. Persons or companies exercising any of the activities subject to the supervision and licensing of the Insurance Commission..
5. Entities exercising any of the following financial activities:-
  - Granting all types of credit.
  - Providing payment and collection services.
  - Issuing and administrating instruments payments and credit.
  - Trading in stock exchange market and capital market instruments for its own account or for the account of its clients.
  - Purchasing and selling debts with or without the right of recourse.
  - Financial leasing.
  - Managing investments and financial assets on behalf of a third party.

6. Entities offering postal services in accordance with the legislation in force.

**B. Non financial entities:-**

1. Persons or entities trading in real estate and its development.
2. Persons or entities trading in precious metals and stones.
3. Persons or entities that, on behalf of third party, perform any of the following business transactions:-
  - Sale and purchase real estates.
  - Management of funds or any other financial assets.
  - Management of bank accounts, postal saving accounts or investments accounts in local and international financial markets.
  - Legal procedures necessary for establishing or managing any legal person, purchasing or selling commercial stores.
  - Organization of contributions related to the establishing or managing companies.

**C. Entities or professions to which the Council of Ministers decides to apply the provisions of the law, upon the recommendation of the National Committee.**

**The obligations of the entities subject to the provisions of the Anti Money Laundering and Counter Terrorist financing Law in force, are as following- :**

1. Give due diligence to the identification of the customers entity, legal status, activity of the customer, purpose of the business relationship and its nature, and the beneficiary owner of the relationship between the entities and the customer, if any, and verifying such, as well as the continuous follow up of the transactions that are conducted through an ongoing relationship with their customers by any of the means determined in accordance with the relevant legislation together with recording and maintaining the relevant data pursuant to the provisions of Item (6) of this Paragraph.
2. Refrain from dealing with anonymous persons, persons with fictitious or anonymous names or shell banks or companies.
3. Notify the Unit immediately of any transaction suspected to be related to money laundering or terrorist financing whether such transaction is conducted or not, by the means or the form approved by the Unit, and maintain a copy of the notification, documents, legal instruments, data, and information related thereto for a period of not less than five years or until a final judicial verdict is issued regarding such transaction, whichever is longer.
4. Comply with the regulations, instructions and decisions issued by the Unit or the competent supervisory and regulatory authorities.

5. Pay special attention to the high risk customers' categories, business relationships or transactions and set the relevant measures including:-

**First:** Risk management systems for money laundering and terrorist financing to include the classification of customers into categories according to the degree of risk while developing the required measures to appropriately deal with such risks, and review such classification periodically or in the event of changes that require conducting such review.

**Second:** Policies and measures for preventing the exploitation of new technologies in money laundering and terrorist financing.

6. Keep records and legal instruments to document the local and international financial transactions to include sufficient data to identify such transactions; as well as maintaining such records, documents, legal instruments, data and information including customer's due diligence data and beneficiary owners for not less than five years from the date of completion of the transaction or the date of termination of the business relationship, as the case may be, which shall be updated periodically.

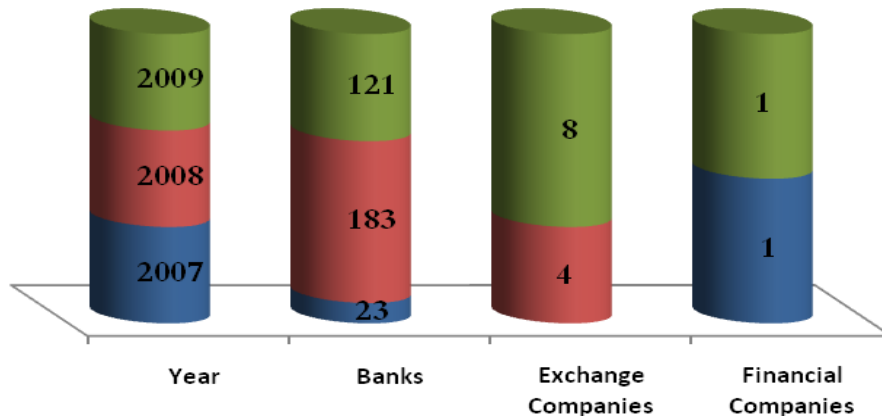
External branches of the entities mentioned in Article (13) of this law and its affiliates outside the Kingdom shall comply with the provisions of this Article excluding notifying the Unit of any transaction suspected to be related to money laundering or terrorist financing.

Pursuant to the provisions of item (3) of paragraph (a) of Article (14) of the Law containing requiring entities subject to the provisions of the Law to notify the Unit for any suspected of being related to Money Laundering or Terrorist Financing; the following are statistics of transactions suspected of being related to Money Laundering or Terrorist Financing in 2010.



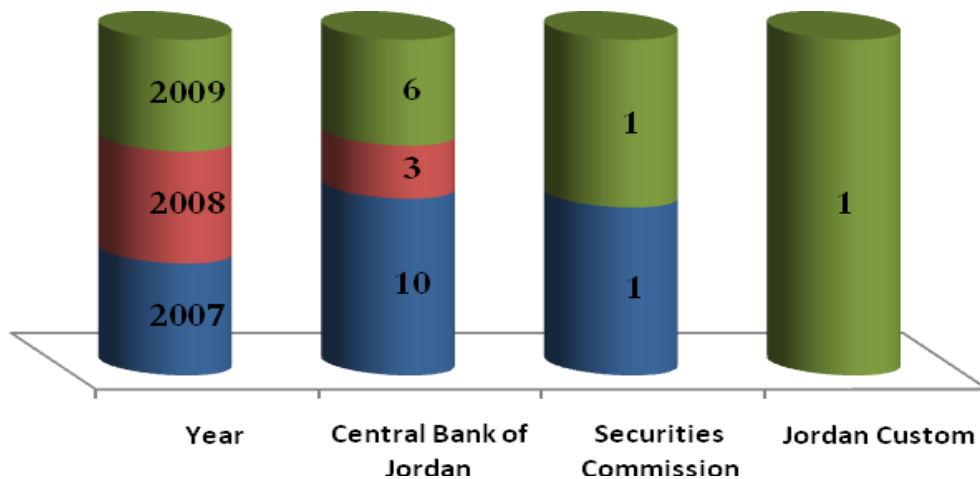
No. of SARS Received from Entities Obligated to Report 2007 - 2009

| Year | Number of notifications | Banks | Exchange Companies | Financial Company | The activities of securities companies |
|------|-------------------------|-------|--------------------|-------------------|--|
| 2007 | 24                      | 23    | -                  | 1                 | -                                      |
| 2008 | 187                     | 183   | 4                  | -                 | -                                      |
| 2009 | 131                     | 121   | 8                  | 1                 | 1                                      |



No. of Notifications Received from Regulatory and Supervisory Authorities 2007 - 2009

| Year | Number of Notifications | Central Bank of Jordan | Jordan Security Commission | Jordan Custom |
|------|-------------------------|------------------------|----------------------------|---------------|
| 2007 | 11                      | 10                     | 1                          | -             |
| 2008 | 3                       | 3                      | -                          | -             |
| 2009 | 8                       | 6                      | 1                          | 1             |



**Request received by the Unit from the Counterpart Units 2007 - 2009**

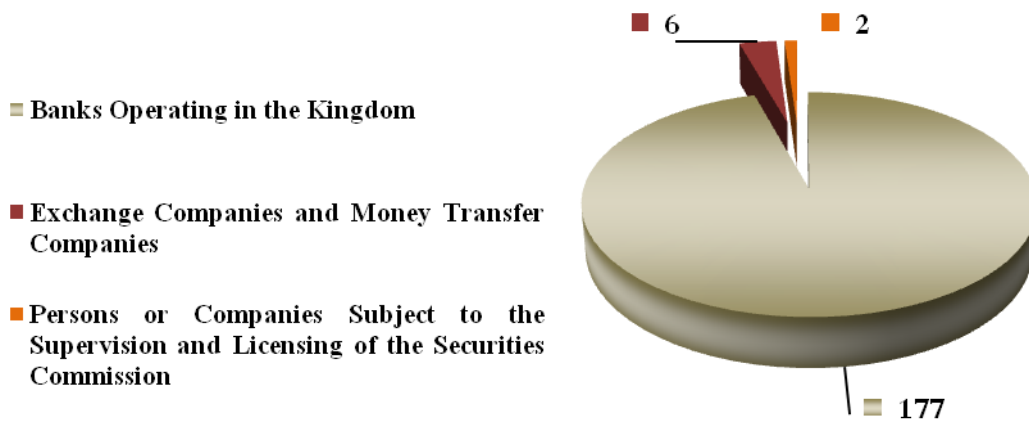
| Year | Country      | Number | Total |
|------|--------------|--------|-------|
| 2007 | -            | 0      | 0     |
| 2008 | Syria        | 2      | 2     |
| 2009 | Iraq         | 1      | 8     |
|      | Lebanon      | 2      |       |
|      | Bulgaria     | 1      |       |
|      | Syria        | 2      |       |
|      | Armenia      | 1      |       |
|      | Saudi Arabia | 1      |       |

**Requests issued by the Unit to Counterpart Units 2007 - 2009**

| Year | Country              | Number | Total |
|------|----------------------|--------|-------|
| 2007 | -                    | 0      | 0     |
| 2008 | USA                  | 2      | 3     |
|      | United Arab Emirates | 1      | 0     |
| 2009 | Saudi Arabia         | 2      | 7     |
|      | United Arab Emirates | 4      | 0     |
|      | Lebanon              | 1      | 0     |

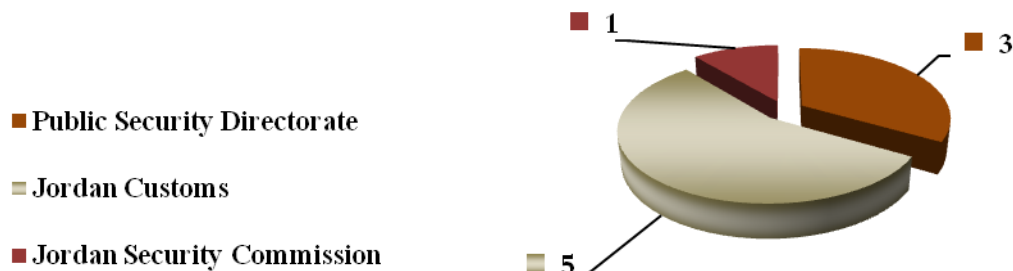
**Notifications received from the Entities Obligated to Report 2010**

| Entities   | Number of Notifications |
|--|-------------------------|
| Banks Operating in the Kingdom   | 177                     |
| Exchange Companies and Money Transfer Companies  | 6                       |
| Persons or Companies Subject to the Control and Licensing of the Securities Commission | 2                       |
| <b>Total</b>   | <b>185</b>              |



**No. of Notifications Received from Regulatory and Supervisory Authorities 2010**

| Entities                    | Number of Notifications |
|-----------------------------|-------------------------|
| Public Security Directorate | 3                       |
| Jordan Customs              | 5                       |
| Jordan Security Commission  | 1                       |
| <b>Total</b>                | <b>9</b>                |



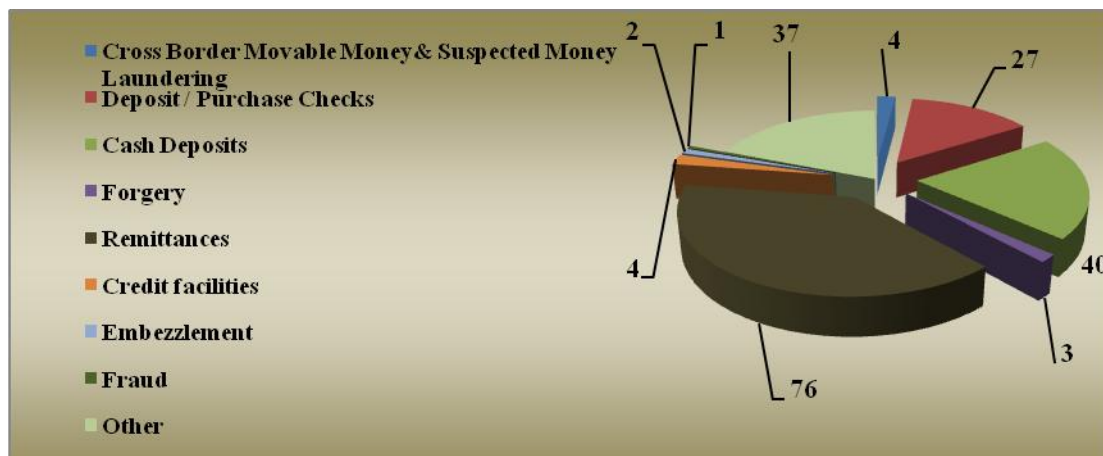
No. of Notifications and Referrals Received from the Entities Obligated to Report according to the Number of Suspects 2010

| Entities   | Number of Notifications |
|--|-------------------------|
| Banks Operating in the Kingdom   | 187                     |
| Exchange Companies and Money Transfer Companies  | 6                       |
| Persons or Companies Subject to the Control and Licensing of the Securities Commission | 2                       |
| Regulatory and Supervisory and Other Competent Authorities                             | 10                      |
| <b>Total</b>   | <b>205</b>              |



No. of Notifications and Referrals Received according to the Type of Transaction 2010

| Type of Transaction                                     | Number of Notifications |
|---|-------------------------|
| Cross Border Movable Money & Suspected Money Laundering | 4                       |
| Deposit / Purchase Checks                               | 27                      |
| Cash Deposits   | 40                      |
| Forgery   | 3                       |
| Remittances   | 76                      |
| Credit facilities                                       | 4                       |
| Embezzlement  | 2                       |
| Fraud   | 1                       |
| <b>Other<sup>1</sup></b>                                | <b>37</b>               |
| <b>Total</b>  | <b>194</b>              |



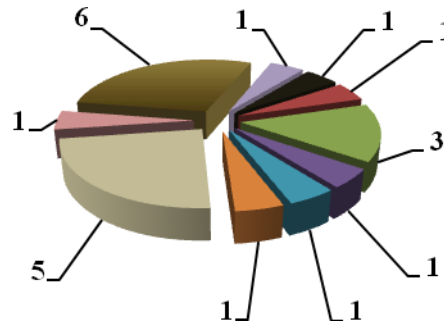
<sup>1</sup> Include the (other) as follows: -

Transactions related to investment, tax evasion, the inability to verify the source of funds, banking, financial, international, negative information about the person himself, and lack of clarity in business, the customer's name included on lists of the ban issued by the Security Council and other lists, reference the seizure of the movable and immovable property in terms of economic crimes, operations on the account is not justified, to open an account up to receive the money order only and not to perform the operation, financing and commercial letters of credit, to commit money laundering cases involving issues of corruption and outside Jordan.

**Request Received by the Unit from the counterpart Units 2010**

| Country           | Number of Requests |
|-------------------|--------------------|
| America           | 1                  |
| Egypt             | 1                  |
| Saudi Arabia      | 3                  |
| Bulgaria          | 1                  |
| Algeria           | 1                  |
| Sultanate of Oman | 1                  |
| Iraq              | 5                  |
| Qatar             | 1                  |
| Syria             | 6                  |
| Palestine         | 1                  |
| <b>Total</b>      | <b>21</b>          |

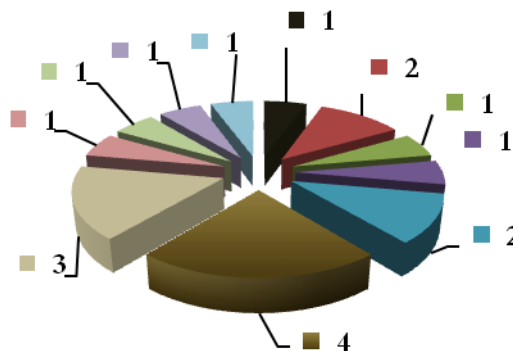
- America
- Egypt
- Saudi Arabia
- Bulgaria
- Algeria
- Sultanate of Oman
- Iraq
- Qatar
- Syria
- Palestine



**Requests Issued by the Unit to the Counterpart Units 2010**

| Country      | Number of Requests |
|--------------|--------------------|
| Iraq         | 1                  |
| Palestine    | 2                  |
| Sudan        | 1                  |
| Egypt        | 1                  |
| Cyprus       | 2                  |
| Saudi Arabia | 4                  |
| Lebanon      | 3                  |
| Qatar        | 1                  |
| Estonia      | 1                  |
| Kenya        | 1                  |
| Turkey       | 1                  |
| <b>Total</b> | <b>18</b>          |

- Iraq
- Palestine
- Sudan
- Egypt
- Cyprus
- Saudi Arabia
- Lebanon
- Qatar
- Estonia
- Kenya
- Turkey



## First Court Conviction of Money Laundering Offense in the Kingdom

A female official employee in one of the Arab countries had embezzled money from the entity she was serving in. Thereafter and in order to convince an exchange company to transfer the above-mentioned money; provided false contracts of selling real estates in collusion with her accomplice transferred the embezzled money from the capital of the above-mentioned Arab country to Amman via the exchange company.

After examination, the court found that the acts, as committed by the both defendants, of concealing the source and origin of the funds which had been transferred to Amman via the exchange company knowing that the funds generated from committing embezzlement constitutes money laundering crime.

The court convicted both defendants of money laundering felony in violation to the provision of Article (24) of the Anti Money Laundering Law No. (46) For the year 2007 and the provisions of Article (76) of the Penal Code.

Reasons of the Sentence are the Material Element and Mental Element and personal Element.

Therefore, the Court decided the punishment of hard labor for three years, the fees and a fine of ten thousand dinars for each defendant pursuant to the provisions of Article (24) of the Anti Money Laundering Law No. (46) For the Year 2007. Furthermore, pursuant to the provisions of Article (26) of the mentioned Anti Money Laundering Law the Court decided to confiscate the funds

generated from the committed crime which exists in two banks in the Kingdom.

Noting that the ruling was based on the Anti Money Laundering Law before it was amended.



Chapter Five: Cross Border Movable Money



Cross-border movable money is considered one of the most dangerous methods and techniques that criminals employ in money laundering and terrorist financing internationally; As criminals or terrorists fund their activities or launder their criminal proceeds by transferring money across the borders, then conceal or disguise 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 cross borders crime, since the proceeds are transferred from one country to another through border crossings.

For this purpose, and pursuant to the provisions of the Anti Money Laundering and Counter Terrorist Financing law in force, the National Anti Money Laundering & Counter Terrorist Financing Committee has indorsed the cross borders movable money declaration form and the threshold of money that is not subject to the declaration in cross borders movable money to be (15000) JD or equivalent in foreign currencies. In this regard cooperation between the Unit, the Customs Department and the concerned security authorities, each according to its competencies is being conducted.

Since the activation of the Cross Border Moveable Money Declaration system till December 31st, 2010, the number of the Cross Border Moveable Money Declaration Forms in the different customs centers was (983) declaration and a total about (903348073) Jordanian Dinar<sup>1</sup>.

Furthermore, the Customs Department detected (10) cases of non-declaration of cross border moveable money and all these cases were referred to the competent Prosecutor General in order to take the necessary procedures pursuant to the provisions of the legislation in force. In one of the cases the ruling was non-liability, while a ruling of a fine ranging between (2-10 %) in another

seven cases; two cases are still at the litigation phase.

The Unit also took necessary procedures to prepare the declaration form in adequate numbers and prepared information signs necessary to inform arrivals on this subject. The Unit also coordinated with the Customs Department to disseminate copies of the form on the Kingdom's border crossings, while information signs to the arrivals obligation to declare cash of more than (15000) JODs or equivalent in foreign currencies in accordance with the cross-border movable money form. Signs also indicated that the arrivals will be held legally accountable in case of failure to declare the cross-border movable money or providing false information in this regard pursuant to the provisions of Article (21) of the Anti Money Laundering & Counter Terrorist Financing Law.

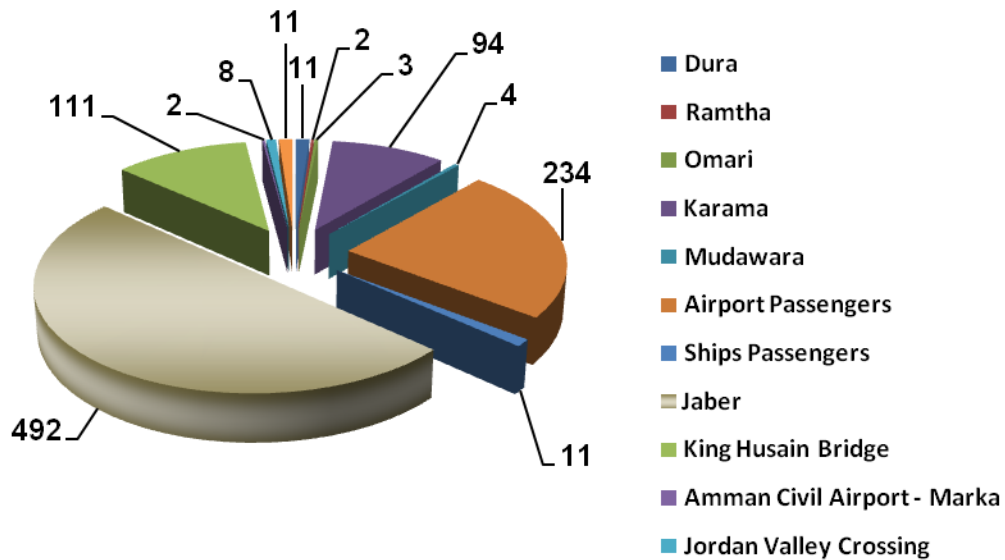
The following are statistics for the funds transferred across the border, according to the centers since the implementation of the system until 31/12/2010.

| Currency and/or Negotiable Financial Instruments and/or Stones and/or Precious Metals |  | Amount and/or Value |
|---|--|---------------------|
| 1   |  |                     |
| 2   |  |                     |
| 3   |  |                     |
| 4   |  |                     |
| 5   |  |                     |
| 6   |  |                     |

<sup>1</sup> As received from the Customs Department



| Custom Center               | No. of Declaration Forms | Total / JD |
|-----------------------------|--------------------------|------------|
| Dura                        | 11                       | 470242     |
| Ramtha                      | 2                        | 234834     |
| Omari                       | 3                        | 137594     |
| Karama                      | 94                       | 74052335   |
| Mudawara                    | 4                        | 163555     |
| Airport Passengers          | 234                      | 703099819  |
| Ships Passengers            | 11                       | 784295     |
| Jaber                       | 492                      | 108593374  |
| King Husain Bridge          | 111                      | 14428348   |
| Amman Civil Airport - Marka | 2                        | 127620     |
| Jordan Valley Crossing      | 8                        | 887377     |
| Arab Valley Crossing        | 11                       | 368680     |
| Total                       | 983                      | 903348073  |



**Captor Six: Future Expectations of the Unit**



- Developing a national strategy to combat Money Laundering and Terrorist Financing.
- Developing the working environment at the Unit in line with the international changes, including the amendment of regulations, instructions and in accordance with the provisions of the Anti Money Laundering and Counter Terrorist Financing Law in force.
- Continuing the cooperation with the regulatory and supervisory authorities and other competent authorities for the purposes of amending and/or issuing the executive procedures and instructions related to combating money laundering and terrorist financing, pursuant to the international recommendations issued in this regard.
- Ongoing training for the Unit staff and entities involved in combating money laundering and terrorist financing and entities subject to the provisions of the Law.
- Reinforcing the cooperation between the Unit and the regional and international institutions and organizations involved in combating money laundering and terrorist financing.
- Taking all required and necessary measures to exceed Egmont Group membership.
- Finding statistics on the national level regarding the crimes of money laundering and the terrorist financing and relevant the criminal activities.

# Chapter Seven: Legislations



رحلة تكافحتم غنمنا الاعمال وقومنا الاحباب

الدور رقم ٥٠٠ لسنة ٢٠٠٧  
قانون مكافحة غسل الاموال وتحويل  
الارباب

**Law No. (46) For the Year 2007**  
**Anti Money Laundering and Counter Terrorist Financing Law**

**Article (1):**

This law shall be cited as the “Anti Money Laundering and Counter Terrorist Financing Law for the year 2007” and shall enter into force thirty days after the date of its publication in the Official Gazette.

**Article (2):**

- a- The following words and phrases, wherever mentioned in this law shall have the meanings indicated thereto hereunder, unless otherwise indicated by context:-
- |  |   |
|--|---|
| The Committee                                  | : The National Anti Money Laundering and Counter Terrorist Financing Committee formed pursuant to the provisions of this law.   |
| The Governor                                   | : The Governor of the Central Bank.   |
| The Unit                                       | : The Anti Money Laundering and Counter Terrorist Financing Unit formed pursuant to the provisions of this law.   |
| Chief of the Unit                              | : The Chief of the Anti Money Laundering and Counter Terrorist Financing Unit.  |
| Funds  | : Any in-kind or right which has material value in dealing, legal documents and instruments in whatever form including electronic or digital forms which indicate the ownership or interest in such money including bank accounts, financial securities, commercial papers, traveler's cheques, remittances, letters of guarantee and letters of credit, regardless of the means of obtainment.   |
| Proceeds                                       | : Funds derived or yielded, directly or indirectly, from committing any of the crimes stipulated in Article (4) of this law.  |
| Money Laundering                               | : Every conduct involving acquiring, possessing, disposing of, moving, managing, keeping, exchanging, depositing, investing, manipulating the value or transferring the funds, or any other act, where the purpose of the act is to conceal or disguise the source, true nature, place, movement, disposal means, ownership or related rights, or otherwise preventing from identifying the person who committed the crime that generated the funds, with the knowledge that the funds are the proceeds of any of the crimes stipulated in Article (4) of this law. |
| The Counterpart Unit                           | : The unit which is granted, according to the valid legislation of any country, the necessary authorities to combat money laundering and terrorist financing transactions and its different uses, and is subject during the performance of its tasks to sufficient legal rules to maintain the confidentiality of information.  |
| Entities Subject to the Provisions of This Law | : The entities referred to in Article (13) of this law.   |
| Cross - Border Movable Money                   | : Cash and negotiable financial instruments, whether in Jordanian dinar, foreign currencies, precious stones and valuable metals.   |
| The Beneficiary Owner                          | : The natural person with the real interest for whom the business relationship is conducted for or on his behalf, or who has full or effective control over a legal person or has the right to conclude a legal arrangement on its behalf.  |
| Seizure of funds                               | : Prohibition of disposing of, transferring, moving, exchanging or transforming the funds for a limited period.   |

Terrorist Financing : Committing any of the acts stipulated in Paragraph (b) of Article (3) of this law.

- b- For purposes of this law, the definitions mentioned in the Penal Procedures Law, the Penal Code, or any other law criminalizing acts mentioned in this law, as the case may be, shall be adopted. In addition, definitions mentioned in any of the laws related to the competent regulatory and supervisory authorities over the entities subject to the provisions of this law or in the laws that these entities are confided to apply, shall be applied, provided that the definitions referred to in this paragraph do not contradict with the provisions of this law.

**Article (3):**

- a- No money generated from any of the crimes stipulated in Article (4) of this law shall be laundered, whether such crimes are committed inside or outside the Kingdom, provided that the act is penalized in accordance with the law in force in the country in which the act has occurred.
- b- It shall be prohibited to provide, collect, insure obtaining or moving, by any means, whether directly or indirectly, funds, even from legitimate sources, to a terrorist, terrorist organization, commission, society or group or for a terrorist act, with the knowledge of such, whether such funds are used wholly or partially or not used, and regardless of whether such act has occurred or not.

**Article (4):**

- a- Every Fund that generates from any of the crimes indicated below shall be considered the subject of money laundering:-
  - 1- Any crime punishable pursuant to the provisions of the valid legislation in the Kingdom.
  - 2- Crimes, the proceeds of which are considered, according to the provisions of international agreements ratified by the Kingdom, as a subject of a money laundering crime.
- b- The money laundering crime is considered independent from the crime that generated the funds; a conviction in the crime that generated the funds is not a condition to prove its illegitimacy.

**Article (5):**

A committee called (The National Anti Money Laundering and Counter Terrorist Financing Committee) shall be formed, and shall be chaired by the Governor of the Central Bank and shall consist of the following members:-

- a- Deputy Governor of the Central Bank designated by the Governor as the Deputy Chairman of the Committee.
- b- Secretary General of the Ministry of Justice.
- c- Secretary General of the Ministry of the Interior.
- d- Secretary General of the Ministry of Finance.
- e- Secretary General of the Ministry of Social Development.
- f- Director General of the Insurance Commission.
- g- General Controller of Companies.
- h- A Commissioner of the Securities Commission Board, designated by the Chairman of the Board of Commissioners.
- i- Chief of the Unit.

**Article (6):**

- a- The Committee shall undertake to perform any tasks and authorities related to anti money laundering and counter terrorist financing, including the following:-
  - 1- Developing the general policy for anti-money laundering and counter terrorist financing and setting the plans necessary for its implementation.

- 2- Following-up with the competent authorities for the purposes of fulfilling the obligations under the relevant and enforceable international resolutions.
  - 3- Participating in international forums relevant to the general policy of anti- money laundering and counter terrorist financing.
  - 4- Studying the annual reports submitted by the Unit concerning anti-money laundering and counter terrorist financing activities.
  - 5- Approving and adopting the annual budget of the Unit proposed by the Chief of the Unit.
  - 6- Studying the necessary draft legislation for implementing the provisions of this law as prepared by the Unit, and submitting such to the Council of Ministers to complete the necessary procedures.
  - 7- Studying the instructions and guidelines to be issued by the regulatory and supervisory authorities pursuant to the provisions of this law.
- b- The method of convening the meetings of the Committee, the required quorum, the decision making process, recommendations, procedures of work, remunerations for its members and all other provisions related thereto shall be determined according to a regulation to be issued for this purpose.

**Article (7):**

- a- A Unit called the (Anti Money Laundering and Counter Terrorist Financing Unit) shall be established as a financially and administratively independent unit and shall be associated with the Governor of the Central Bank of Jordan.
- b- The Unit shall be responsible for receiving the notifications stated in Item (3) of Paragraph (a) of Article (14) of the law in relation to any transaction suspected to be related to money laundering or terrorist financing and requesting information related thereto, analyzing and investigating such, as well as providing the competent authorities with such information, when necessary, for the purposes of anti money laundering and counter terrorist financing.
- c- The tasks and authorities of the Unit and all other related matters including personnel affairs shall be determined by virtue of a regulation to be issued for this purpose.

**Article (8):**

Once sufficient information is available concerning a transaction suspected to be related to money laundering or terrorist financing, the Unit shall prepare a report attached therewith the information, data, documents, and legal instruments, and the Chief of the Unit shall submit the report to the competent Prosecutor General for investigation. Based upon the request of the Chief of the Unit, the competent Prosecutor General shall seize or trace the money subject of the suspicious transaction.

**Article (9):**

- a- The Chief of the Unit shall be appointed by a decision of the Committee based upon the recommendation of the Chairman of the Committee. The decision shall determine the salary, allowances and all financial rights.
- b- The staff of the Unit designated by the Chief of the Unit shall, upon exercising their respective tasks pursuant to the provisions of this law, have the competency of law enforcement officers.

**Article (10):**

- a- The Unit shall have an independent budget, and its financial year shall start on the first day of January of every year and shall end on the thirty first day of December of the same year.
- b- The financial resources of the Unit shall consist of the following:-
  - 1- Allocations from the Central Bank of Jordan.
  - 2- Any allocations allotted in the General State Budget.
  - 3- Any subsidies, grants, endowments or donations to the Unit provided that the Council of Ministers approves it, if the same is obtained from a non Jordanian source.

**Article (11):**

- a- The Chairman of the Committee, its members and the staff of the Unit shall be prohibited from disclosing any information they have access to or that comes to their knowledge ex-officio, directly or indirectly. Disclosure of such information shall be restricted only for the purposes stated in this law. The prohibition of disclosure shall remain enforced after termination of their work with the Committee and the Unit.
- b- The prohibition stipulated in Paragraph (a) of this Article shall apply to all persons who, directly or indirectly, have access to or possess ex-officio information submitted or exchanged in accordance with the provisions of this law, regulations and instructions issued pursuant thereto.

**Article (12):**

Notwithstanding the provisions of Article (11) of this law, the Unit may publish periodical statistics about the number of transactions suspected to be related to money laundering or terrorist financing which have been received, distributed and classified as per the reporting entities, the number of convictions, property confiscated or frozen and the mutual legal assistance rendered.

**Article (13):**

The following entities shall comply with the procedures stipulated in this law, regulations, instructions and decisions issued pursuant thereto:-

- a- Financial entities include:-
  - 1- Banks operating in the Kingdom.
  - 2- Exchange companies and money transfer companies.
  - 3- Persons or companies exercising any of the activities subject to the supervision and licensing of the Securities Commission.
  - 4- Persons or companies exercising any of the activities subject to the supervision and licensing of the Insurance Commission.
  - 5- Entities exercising any of the following financial activities:-
    - Granting all types of credit.
    - Providing payment and collection services.
    - Issuing and administrating instruments payments and credit.
    - Trading in stock exchange market and capital market instruments for its own account or for the account of its clients.
    - Purchasing and selling debts with or without the right of recourse.
    - Financial leasing.
    - Managing investments and financial assets on behalf of a third party.
  - 6- Entities offering postal services in accordance with the legislation in force.
- b- Non financial entities include:-
  - 1- Persons or entities trading in real estate and its development.
  - 2- Persons or entities trading in precious metals and stones.
  - 3- Persons or entities that, on behalf of third party, perform any of the following business transactions:-
    - Sale and purchase real estates.
    - Management of funds or any other financial assets.
    - Management of bank accounts, postal saving accounts or investments accounts in local and international financial markets.
    - Legal procedures necessary for establishing or managing any legal person, purchasing or selling commercial stores.
    - Organization of contributions related to the establishing or managing companies.
- c- Entities or professions to which the Council of Ministers decides to apply the provisions of the law upon the recommendation of the National Committee.



**Article (14):**

- a- The entities subject to the provisions of this law shall undertake to comply with the following:-
- 1- Give due diligence to the identification of the customers entity, legal status, activity of the customer, purpose of the business relationship and its nature, and the beneficiary owner of the relationship between the entities and the customer, if any, and verifying such, as well as the continuous follow up of the transactions that are conducted through an ongoing relationship with their customers by any of the means determined in accordance with the relevant legislation together with recording and maintaining the relevant data pursuant to the provisions of Item (6) of this Paragraph.
  - 2- Refrain from dealing with anonymous persons, persons with fictitious or anonymous names or shell banks or companies.
  - 3- Notify the Unit immediately of any transaction suspected to be related to money laundering or terrorist financing whether such transaction is conducted or not, by the means or the form approved by the Unit, and maintain a copy of the notification, documents, legal instruments, data, and information related thereto for a period of not less than five years or until a final judicial verdict is issued regarding such transaction, whichever is longer.
  - 4- Comply with the regulations, instructions and decisions issued by the Unit or the competent supervisory and regulatory authorities.
  - 5- Pay special attention to the high risk customers' categories, business relationships or transactions and set the relevant measures including:-
    - First: Risk management systems for money laundering and terrorist financing to include the classification of customers into categories according to the degree of risk while developing the required measures to appropriately deal with such risks, and review such classification periodically or in the event of changes that require conducting such review.
    - Second: Policies and measures for preventing the exploitation of new technologies in money laundering and terrorist financing.
  - 6- Keep records and legal instruments to document the local and international financial transactions to include sufficient data to identify such transactions; as well as maintaining such records, documents, legal instruments, data and information including customer's due diligence data and beneficiary owners for not less than five years from the date of completion of the transaction or the date of termination of the business relationship, as the case may be, which shall be updated periodically.
  - 7- Microfilm copies or any other modern electronic means may be maintained which shall have the same legal effect as the originals in relation to evidence, if prepared, kept and retrieved in accordance with bases identified within the instructions issued by the Chief of the Unit for this purpose.
- b- External branches of the entities mentioned in Article (13) of this law and its affiliates outside the Kingdom shall comply with the provisions of this Article excluding Item (3) of Paragraph (a) thereof.

**Article (15):**

It is prohibited to disclose, by any means, directly or indirectly about notifying the Unit in accordance with the provisions of this law, or about any of the notification procedures known to the entities that are obliged to report.

**Article (16):**

No penal, civil, administrative or disciplinary liabilities shall be born by any natural or legal person referred to in Article (13) of this law who, *bona fide*, reports any transactions suspected to be related to money laundering or terrorist financing or submits information or data related thereto in accordance with the provisions of this law.

**Article (17):**

- a- Subject to the provisions of Article (15) of this law, the Unit may require the entities that are obliged to report as stipulated in Item (3) of Paragraph (a) of Article (14) of this law to take any procedure including suspending, for a period not to exceed three working days, the on-going procedures and processes on a transaction suspected to be related to money laundering or terrorist financing or request providing any additional information deemed necessary for the performance of its duties if it is related to information previously received during performing its competences or upon requests received from Counterpart Units.
- b- The entities that are obliged to report shall provide the Unit with the information mentioned in Paragraph (a) of this Article within the specified time period.
- c- The Unit shall notify the entities that are obliged to report pursuant to the provisions of this law, of the receipt of its notification pursuant to the provisions of Item (3) of Paragraph (a) of Article (14) of this law in accordance with the Instructions issued by the Chief of the Unit for this purpose.
- d- The Unit may notify the regulatory and supervisory authorities in case the entities subject to its regulation and supervision violate any of the provisions of this law, regulations, instructions or decisions issued by virtue thereof.

**Article (18):**

- a- The authorities indicated below shall provide the Unit with any additional information related to the notifications received if it is considered necessary to perform its tasks or upon a request made by Counterpart Units within the period specified in the request:-
  - 1- Judicial authorities.
  - 2- Regulatory and supervisory authorities performing their powers over entities subject to the provisions of this law.
  - 3- Any other administrative or security authorities.
- b- The regulatory and supervisory authorities shall undertake to establish and provide means necessary to verify the compliance of the entities subject to the provisions of this law with the provisions stated therein, regulations, instructions and decisions issued by virtue thereof, in addition to the issuance of the necessary instructions pursuant to the provisions of this law.
- c- The authorities stated in Paragraph (a) of this Article shall comply with the following:-
  - 1- Taking the necessary procedures and means to exchange information and coordinating with the Unit regarding anti money laundering and counter terrorist financing.
  - 2- Immediately notifying the Unit should, in the course of performing their competences in accordance with the provisions of the legislation in force, suspicion of money laundering or terrorist financing is established. The Unit may notify such authorities of the procedures undertaken in accordance with the provisions of this law, if deemed necessary.

**Article (19):**

The Unit shall have the right to exchange information with Counterpart Units on a reciprocal basis provided that the information shall be utilized only to prevent money laundering and terrorist financing, and provided that the approval of the Counterpart Unit that provided such information is obtained. The Unit shall have the right to sign memoranda of understanding with the Counterpart Units to organize cooperation in this regard.

**Article (20):**

- a- Each individual entering the Kingdom shall declare, on the approved form prepared for this purpose, the cross-border movable money if the value exceeds the threshold set by the Committee.
- b- The Customs Department shall keep all cross-border movable money declaration forms, such forms shall be accessible and used by the Unit when deemed necessary.

**Article (21):**

In the event of non-declaration of the cross-border movable money pursuant to the provisions of Paragraph (a) of Article (20) of this law or in the event of false declaration of such, the Customs Department may question the courier about the source and intended use of such money. The Customs Department may seize such money, and in the event of a transaction suspected to be related to money laundering or terrorist financing refer the courier to the competent Prosecutor General pursuant to the provisions of this law. The Prosecutor General shall take the necessary procedures pursuant to the provisions of the legislation in force, and in all cases shall notify the Unit of the procedures undertaken.

**Article (22):**

- a- To achieve the intended purpose of this law, the Jordanian judicial authorities shall cooperate with the non Jordanian judicial authorities; in particular regarding judicial assistances and representations, extradition of the accused and convicted individuals, in addition to the requests of non Jordanian authorities of tracing, freezing or seizing the money related to money laundering or terrorist financing crimes or any proceeds thereof, pursuant to the rules set by the Jordanian laws, the bilateral or multilateral agreements ratified by the Kingdom, or on a reciprocal basis without prejudice to the rights of bona fide third party.
- b- For purposes of Paragraph (a) of this Article, freezing of money shall mean imposing temporary prohibition on transferring, exchanging, disposing of, moving, or assuming custody and temporary control on such money based on a decision issued by a competent court or authority.

**Article (23):**

- a- The competent Jordanian judicial authorities may order the implementation of the requests of the competent non Jordanian judicial authorities to confiscate the proceeds subject to money laundering or terrorist financing crimes, in accordance with the rules set by the Jordanian laws and bilateral or multilateral agreements ratified by the Kingdom.
- b- The proceeds of the money to which a final confiscation judgment had been issued according to the provisions of this law, shall be distributed in accordance with the agreements concluded in this regard.

**Article (24):**

Without prejudice to any severer penalty stipulated in the Penal Code or any other law:-

- a-
  - 1- Anyone who committed or has attempted to commit a money laundering crime as stipulated in this law, shall be penalized by imprisonment for a period not less than one year and not more than three years, and with a fine of not less than the same amount of the money subject to the crime if the money was the proceeds of committing a misdemeanor.
  - 2- Anyone who committed or has attempted to commit a money laundering crime as stipulated in this law, shall be penalized by hard labor for a period not less than five years and with a fine of not less than the same amount of the money subject to the crime, if the money was the proceeds of committing a felony.
- b- The accomplice, accessory and instigator shall be punished with the same penalty as imposed to the principal offender.
- c- In all cases, the penalty shall be doubled in the event of recurrence.

**Article (25):**

- a- Whoever violates any of the provisions of Articles (11) and (15) of this law shall be penalized by imprisonment for a period not exceeding six months, or with a fine of not less than one thousand Dinars and not more than ten thousand Dinars or both penalties.
- b- Whoever violates the provisions of Item (3) of Paragraph (a) of Article (14) of this law shall be penalized with imprisonment for a period not exceeding one year, or with a fine of not less than ten

thousand Dinars and not more than one hundred thousand Dinars or by both penalties.

- c- Whoever violates the provisions of Paragraph (a) of Article (20) of this law shall be penalized by a fine not to exceed ten percent of the value of the non-declared money or in the event of false declaration. The fine shall be doubled in the event of recurrence. Where the violation is repeated more than twice, the fine shall be doubled up to its maximum limit. In all cases, the money shall be confiscated if related to terrorist financing.

**Article (26):**

- a- In addition to the provisions of Article (24) of this law, in-kind proceeds or money equivalent in value shall, in all cases, be confiscated if it was difficult to seize or execute the same or if it was disposed of to *bona fide* third party.
- b- If the proceeds are mixed with other assets earned from legitimate sources, such assets shall be subject to confiscation as stated in this Article within the limits of the estimated value of the proceeds and its products.

**Article (27):**

The competent Prosecutor General shall exercise authorities over the crimes stipulated in this law according to the valid Penal Procedures Law or any other relevant legislation. The competent Prosecutor General or competent court, as the case may be, may undertake the following:-

- a- Verifying the real source of the money belonging to the perpetrators of the crimes stipulated in this law including tracing such money and whether it was generated as a result of committing any of the prohibited activities in accordance with this law or any of the relevant legislation in force. The competent court may decide seizing and confiscating such money.
- b- Seizing the money of the defendant accused of committing the crimes stated in this law, the money of the spouse and the direct ancestors and descendants, and prohibiting disbursement of such money as well as preventing them from traveling until the investigation is completed or the case is adjudicated. The competent court may decide to confiscate such money.
- c- Seizing the money in the possession of a third party, where it was established that it has been generated as a result of committing any of the crimes stipulated in this law.
- d- Seizing the assets in which proceeds were mixed with those of legitimate sources, until the value of the illegitimate proceeds and revenues of their exploitation is determined.
- e- Requesting records, documents, legal instruments and data of the entities subject to the provisions of this law relevant to the investigation of the crimes stipulated in Article (4) of this law.

**Article (28):**

- a- Notwithstanding the provisions of any other legislation, the seizure of the funds by the Prosecutor General or the competent court in accordance with the provisions of this law shall cause all procedures and transactions conducted on such funds to be ceased.
- b- The harmed individual of the seizure decision may challenge the decision before the competent judicial authority.

**Article (29):**

Should any of the entities mentioned in Article (13) of this law refuse to provide the Unit with the information, data, documents and legal instruments that should be provided in accordance with the provisions of this law, regulations, instructions and decisions issued by virtue thereof, failed to provide them within the specified period, or prohibited the Chief of the Unit or his authorized representative from performing his tasks and authorities as stipulated in this law, regulations, instructions and decisions issued by virtue thereof, a fine of not less than five thousands dinars and not more than twenty thousand dinars shall be imposed. The fine shall be doubled in the event of recurrence; where the violation is repeated for more than twice, the fine shall be doubled up to the maximum limit.

**Article (30):**

Any violation to any of the provisions of this law, regulations, instructions and decisions issued by virtue thereof for which a penalty is not specified in the law, the offender shall be fined with not less than one thousand Dinars and not more than ten thousand Dinars. The fine shall be doubled in the event of recurrence; where the violation is repeated for more than twice, the fine shall be doubled up to the maximum limit.

**Article (31):**

- a- Without prejudice to any severer penalty stipulated in any other legislation, the legal person shall be responsible for the crimes committed by the person in charge of the actual management of the legal person in violation of the provisions of this law, regulations, instructions and decisions issued by virtue thereof any of such. The fines as stipulated in this Law shall be imposed on the legal person.
- b- Subject to the provisions of the Banks Law and the other legislation in force, the court may cease the operations of the legal person, wholly or partially, for a period not less than one month and not more than one year if the legal person committed any of the crimes stipulated in this law. In the event of recurrence, the court may order to cancel the registration of the legal person or liquidate it. Any person found to be personally responsible for committing any of such crimes, whether being the chairman of the board, chief executive officer, member of the board of directors, manager or any partner therein, as the case may be, shall be prevented from participating or contributing in the capital of any other legal person with similar objectives or be a part in the management thereof.

**Article (32):**

In case of multiple perpetrators of money laundering or terrorist financing crime, where one of them notifies the competent authorities about any of the crimes committed in violation of the provisions of this law before the knowledge of the authorities of such crimes, or where the notification after knowing about the crime caused the capture of the perpetrators or the money which is the subject matter of the crime, the court may exempt such person from the punishment stipulated in this law.

**Article (33):**

Any provision related to money laundering or terrorist financing crimes stipulated in any other legislation contrary with the provisions of this law shall not be enforced.

**Article (34):**

The Unit shall have the same exemptions and facilitations provided for other ministries and governmental departments.

**Article (35):**

Provisions related to confidentiality including banking confidentiality stipulated in any other law shall not preclude the implementation of any of the provisions of this law.

**Article (36):**

- a- The Council of Ministers shall issue the necessary regulations to implement the provisions of this law.
- b- The Procurement Regulation and the Personnel Regulation enforced in the Central Bank of Jordan shall be applied on the Unit to the extent possibly applicable to the Unit.

**Article (37):**

The Committee shall set the necessary Instructions related to the enforcement of this law including the following:-

- a- Controls and principles related to reporting transactions suspected to be related to money laundering or terrorist financing.
- b- Controls related to the declaration of the cross-border movable money and the procedures related to the declaration.
- c- Implementation of the obligations stipulated in international resolutions pursuant to the provisions of Item (2) of Paragraph (a) of Article (6) of this law.

**Article (38):**

The Prime Minister and the Ministers are entrusted with the implementation of the provisions of this law.

**Instructions No. (1) for the Year 2010**

**Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1267 (1999) and Other Relevant Resolutions Issued by the National Committee for Anti Money Laundering & Combating the Financing of Terrorism Based on the Provisions of Para (c) of article (37) of the Anti Money Laundering & Combating the Financing of Terrorism Law No. (46) for the Year 2007, as Amended.**

**Article (1):**

These Instructions shall be called “Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1267 ( 1999) and Other Relevant Resolutions for the Year 2010 “ and shall go into operation as of the date of its adoption by the National Committee for Anti Money Laundering & Combating the Financing of Terrorism<sup>(1)</sup> and shall be published in the official gazette .

**Article (2):**

- a. The words and phrases stated in these Instructions shall have the meanings assigned thereto under Article (2) of the Anti Money Laundering & Combating the Financing of Terrorism Law No. (46) for the year 2007, as amended, in force unless the context provides otherwise.
- b. The following words and phrases shall have the meanings assigned thereto hereunder unless the context provides otherwise:

|                           |   |  |
|---------------------------|---|--|
| International Resolutions | : | Security Council resolution No. 1267 (1999) and other relevant resolutions relating to Al-Qa'eda Organization, Osama Ben Ladin, Talban Movement and all persons and entities linked with them.   |
| Technical Committee       | : | The Committee formed according to the provisions of article (3) of these Instructions.   |
| Sanctions Committee       | : | The Committee established according to Security Council resolution No. 1267 (1999) with respect to Al-Qa'eda Organization, Osama Ben Ladin, Talban Movement and all persons and entities linked with them.   |
| Nomenclature              | : | Specify the identity of the person or entity subject to the sanctions specified by Security Council resolution No. 1267 and other relevant resolutions together with applying the relevant sanctions against such person or entity as well as state the reasons. |
| Explanatory Summary       | : | The declared part of the reasons statement for inserting a certain person or entity on the unified list attached with the nomenclature decision by the Sanctions Committee.  |
| Unified list              | : | The list prepared and adopted by the Sanctions Committee with respect to Al-Qa'ede Organization, Osama Ben Ladin, Talban Movement and all persons and entities linked with them.   |
| Named Person              | : | The natural person named by the Sanctions Committee including the person linked with Al-Qa'eda Organization, Osama Ben Ladin and Talban Movement.  |
| Named Entity              | : | The corporate person named by the Sanctions Committee including the corporate person owned, controlled or linked directly or indirectly by Al-Qa'eda Organization, Osama Ben Ladin and Talban Movement.  |

- Ombudsman : The person appointed by the Secretary General of the United Nations to provide assistance to the Sanctions Committee upon reviewing the applications for deleting the names of persons and named entities from the unified list.
- Economic Resources : The assets of whatever type whether tangible or intangible, movable or immovable, real or probable, including the assets which are not considered as money but can be used to obtain any monies, commodities or services.
- Without Delay : Freezing of any monies and economic resources within hours of the issue of the nomenclature decision by the Sanctions Committee for the purposes of preventing the disposal of the monies or economic resources including smuggling of same.
- Freezing : Imposing immediate temporary ban on all monies and economic resources in so far as its transfer, replacement or disposal thereof, movement or subjection same to receivership or temporary control according to the decision of the Technical Committee which was issued based on the decision of the Sanctions Committee which pertain to or whose ownership belong to or is in the possession of or controlled by a named person or entity including the monies derived from monies or economic resources owned or subject directly or indirectly to them or to persons who work on their behalf or under their direction and without an advance notice to them .

**Article (3):**

- a. A Committee called the “Technical Committee for the Implementation of Security Council Resolution No. 1267 (1999) and Other Relevant Resolutions “ shall be formed under the chairmanship of the Unit Head and membership of Legal Departments’ Directors or those of the same level in each of :
1. Ministry of Foreign Affairs / Deputy Chairman
  2. Ministry of Interior
  3. Ministry of Justice
  4. General Intelligence Department
  5. Public Security Directorate
  6. Central Bank of Jordan
  7. Land & Survey Department
  8. General Customs Department
  9. Companies Control Department
- b. Every one of the parties referred to in para (a) hereof shall name a substitute in the event of absence of the Legal Department’s Director or whoever of the same level .
- c. The Unit Head shall appoint a secretary for the Technical Committee from amongst its employees and a substitute in case of his absence. The secretary shall undertake the recording of minutes of its sessions, decisions, safekeeping of its documents and any other matters entrusted to him by the Technical Committee.

**Article (4):**

- a. The Technical Committee shall convene at least once every month and when ever there is a need thereto, provided the invitation for the meeting and determination of the agenda shall be made by a decision of its Chairman or, in the event of his absence, by his deputy.



- b. The quorum for the meetings of the Technical Committee shall be the attendance of majority of its members provided that the Chairman or his deputy be amongst them. Its decisions shall be passed by the majority of the attending members.
- c. The Technical Committee may, when necessary, issue its decisions by the method of passing, provided a unanimous decision is passed and the Technical Committee be advised of the decision at its first meeting.
- d. The Technical Committee may form one temporary sub-committee or more from amongst its members to study any of the matters presented to it, provided that its functions are determined in the decision of its formation.
- e. The Technical Committee may seek the assistance of any person or party to assist it or assist any temporary sub-committee formed according to the provisions of para (d) hereof in carrying out its work without having the right to vote upon taking its decisions.

**Article (5):**

It is prohibited for any of the members of the Technical Committee, its secretary or any one who has access or comes to know by virtue of his work, whether directly or indirectly, of any information that was submitted or exchanged pursuant to the provisions of these instructions, to reveal any of such information he had access to or came to know of directly or indirectly or disclose such information in any form whatsoever except for the purposes of implementing these instructions including the disclosure of the source of such information. Such prohibition shall continue until after termination of their work on or with the Technical Committee.

**Article (6):**

The Technical Committee shall assume the functions and authorities connected with the implementation of Security Council resolution No. 1267 (1999) and other relevant resolutions according to the proceedings provided for in these instructions. The Technical Committee may, towards carrying out its functions and authorities, coordinate with the security, control, supervisory and administrative parties as well as with any other party concerned with the implementation of the provisions of these instructions.

**Article (7):**

- a. The Technical Committee shall circulate the unified list after being received from the Sanctions Committee "Without Delay" on the control, supervisory, security and administrative parties as well as on any concerned party for taking the necessary measures for freezing the funds or economic resources for the named persons and entities and/or monies of the persons and entities that work on their behalf, for their interest or under their directions including the other monies and economic resources that are derived or generated from properties owned or controlled directly or indirectly by these persons or entities linked with them. The Technical Committee may freeze the monies of ascendants, descendants and spouse of any of the named persons if it deems justified provided that the Technical Committee is informed of the action taken in this respect.
- b. The Technical Company shall undertake the circulation of the name of any person or entity added to the unified list for the first time upon the issue of the explanatory summary pertaining to inserting this person or entity in the unified list by the Sanctions Committee in accordance with the provisions of these instructions.
- c. Notwithstanding the provisions of para (a) hereof, the rights of bona fide third parties should be observed upon implementing any of the freezing proceedings.
- d. For the purposes of these instructions, the link means as follows:
  - 1. Participation in financing the works and activities carried out by Al-Qa'eda Organization, Osama Ben Ladin and Taliban Movement or any group linked with any one of them, seceding from of subsidiary of whoever the source of these monies, planning to such works or activities, facilitating the carrying out, preparing or committing of same or participating therein with them or in their names, on their behalf or in support thereto.

2. Supply arms and whatever materiél connected therewith, sale or transporting same to Al-Qa'eda Organization, Osama Ben Ladin and Talban Movement or any group linked with any of them, seceding or branching there from.
3. Recruitment to the account of Al-Qa'eda, Osama Ben Ladin and Talban movement or any group linked with any one thereof, seceding from or branching there from.
4. Provide other forms of support to the works or activities carried out by Al-Qa'eda Organization, Osama Ben Ladin and Talban Movement or any group linked with any one thereof, seceding or branching there from irrespective of the source of support.

**Article (8):**

- a. 1. All financial and none financial parties should resort to the unified list upon conducting any transaction or entering into a new relation with any person to ascertain the none insertion of his name on the unified list. In the event of mentioning a conforming or similar name, these parties are required to freeze his monies and economic resources and immediately inform the Technical Committee of the action taken in this respect.
2. All financial and none financial parties undertake not to make available any monies or economic resources whether directly or indirectly to any person or entity named in the unified list or to the interest of either one of them under the penalty of legal responsibility.
3. If it is discovered by any of the security, control, supervisory or administrative parties or any party concerned with the implementation of the provisions of these instructions that any of the financial or none financial parties which are subject to their control or supervision did not carry out the measures provided for under items (1) and (2) of para (a) hereof, they should immediately inform the Technical Committee thereof.
- b. It is prohibited for anyone to make any funds or financial resources available or provide any financial or other service to a person or entity named in the unified list or to the interest of either one thereof under the penalty of legal responsibility.

**Article (9):**

- a. The Technical Committee may, as it deems fit, approve the utilization of part of the frozen monies or economic resources to any of the following :
  1. Meet the necessary needs to cover the basic expenses of the named person whose monies are frozen including the amounts paid in consideration of the foodstuff, rental, real estate mortgage, medicines, medical treatment, taxes, insurance premiums and general services fees.
  2. In consideration of reasonable professional fees and settlement of expenses with respect to the provision of legal services, fees or service fees pertaining to ordinary safekeeping and maintenance of frozen monies or economic resources.
  3. To cover exceptional expenses other than those stated under items (1) and (2) of para (a) hereof.
- b. The applications for the purposes of finalizing any of the clauses stated under para (a) hereof by the named persons or their representatives should be submitted to the Technical Committee directly accompanied with all supporting documents and instruments.
- c. The Technical Committee shall study the applications provided for under para (b) hereof including the reasons of application and amount of the required sums. The Technical Committee may reduce the amount of such sums based on justified reasons and the Technical Committee may reject the application if it has justifiable reasons.
- d. If the submitted application pertains to the expenses stated under clause (1) of para (a) hereof, the Technical Committee may issue its decision of approval or none approval application by the method of passing with due observance to the provisions of para (e) hereof.
- e. The Technical Committee should, in the two cases stated under clauses (1) and (2) of para (a) hereof, inform the Sanctions Committee of its intention to approve the application submitted according to the provisions of para (b) hereof, and in the event of the Sanctions Committee's none opposition or its none issue of a decision of rejection within three working days from the date of its notification thereof, the freezing shall be lifted off the financial amount agreed upon by the Technical Committee as well as

inform the party with whom the monies are frozen in writing thereof in order to implement the decision, and provided this party informs the Technical Committee of the action taken in this regard.

- f. The Technical Committee should, in the case stated under clause (3) of para (a) hereof, obtain the written approval of the Sanctions Committee on the application.
- g. For the purposes of paras (e) and (f) hereof, the Technical Committee should inform the named person or his representative of the approval or rejection of the application in writing.

**Article (10):**

- a. The financial parties may credit any frozen accounts with any amounts or transfers provided that these added amounts to the said accounts are frozen and that the financial parties should immediately inform the Technical Committee of such transactions.
- b. All amounts resulting from the conclusion any contracts, agreements or liabilities or arose prior to the date in which the nomenclature and insertion were made on the unified list by the Sanctions Committee including the profits and interests provided that all these amounts are subjected to freezing.
- c. For the purposes of implementing the provisions of paras (a) and (b) hereof, the Technical Committee should be informed in the event of none existence of banking accounts to the named person or entity in order to take the suitable action in this respect.

**Article (11):**

- a. The Technical Committee shall receive the applications relating to lifting of freezing off the funds and economic resources which were frozen according to the provisions of these instructions and which belong to persons or entities the funds of either one thereof were frozen and existence of similarity was discovered between the names of these persons or entities and named names or entities according to the provisions of these instructions.
- b. The Technical Committee shall study the applications referred to under para (a) hereof in order to take a decision in respect thereof within a period not exceeding five working days from the date of submission of the application .
- c. If the event of the Technical Committee's approval of the submitted application according to the provisions of para (a) hereof, the Technical Committee shall inform the applicant, the party with whom the funds are frozen and the other competent parties of the lifting of freezing provided that the Technical Committee is informed of the action taken in this respect. In the event of rejection of the application, the applicant should be informed in writing thereof accompanied with the reasons of rejection.

**Article (12):**

- a. The financial and none financial parties and any person charged with the implementation of the provisions of these instructions are required to immediately provide the Technical Committee with any information which would assist in the adherence with the provisions of these instructions and particularly the information relating to the monies and economic resources belonging to , owned or controlled by the named persons or entities.
- b. It is prohibited to utilize the information referred to under paragraph (a) hereof except for the purposes which were provided or obtained due thereto.

**Article (13):**

- a. The Technical Committee shall communicate with the Sanctions Committee in order to insert the name of a natural or corporate person who was discovered by the competent parties to have participated by any mean in financing or supporting the works or activities of Al-Qa'eda Organization, Osama Ben Ladin and Talban Movement and every party linked with them including providing the Sanctions Committee with a statement of the reasons of insertion according to the approved form for this purpose.
- b. The Technical Committee should, subsequent to completing the proceedings of freezing the monies and economic resources according to the provisions of these instructions for the named person or entity, inform either one of them without delay of his insertion on the unified list including providing him with

the explanatory summary directly and any information on the reasons of adding the name of either one of them by making such information available on the electronic website of the Technical Committee and describe the impact consequent on the addition of the name to the unified list and the proceedings followed by the Sanctions Committee in reviewing the deletion applications from the unified list including the possibility of submitting such applications to the ombudsman according to the provisions of article (14) of these instructions in addition to the possibility of utilizing part of the frozen monies or economic resources according to the provisions of article (9) of these instructions if his address is known or subsequent to serving notice upon him thereof through the official channels as well as give him the opportunity to make any comments on the insertion .

**Article (14) :**

- a. Any named person or entity who wishes to delete his name from the unified list should directly submit an application to the ombudsman.
- b. The Technical Committee shall receive the additional information requests which are related to the submitted deletion applications from any person or entity named by the ombudsman in the event that the Kingdom has proposed the insertion of the name of this person on the unified list.
- c. The Technical Committee should study the application within the period fixed by the ombudsman and provide him with its comments, extent of entitlement of the person or entity to delete his name from the unified list and the Technical Committee may put forth any question or request any other clarification it wishes to refer to the applicant person and respond to any other queries submitted by the ombudsman.
- d. The Technical Committee shall submit to the Sanctions Committee the applications for deleting the names of deceased persons who are listed on the unified list accompanied by the death certificate and names of entities which do not exist any more or have actual activity. The Technical Committee should take the necessary measures to ascertain that none of the heirs or beneficiaries of the frozen monies and economic resources is listed on the unified list and provided that the Sanctions Committee is informed thereof.
- e. The Technical Committee shall take the necessary measures for lifting the freezing off the monies and economic resources referred to under para (d) hereof subsequent to receiving the reply of the Sanctions Committee on the application.

**Article (15) :**

- a. The unified list comprises the necessary and required information on the persons for the purposes of determining their identities. Such information include, for example, the following:
  1. Name of person, family and false names and titles.
  2. Place and date of birth .
  3. Nationality
  4. Nos. of passport and identity card.
  5. Nos. of social security and the like.
  6. Sex.
  7. Address and/or any other pertinent information.
  8. Occupation or job.
  9. Date of nomenclature in the unified list.
- b. The unified list comprises the necessary and required information on the entities for the purposes of determining the identity thereof, Such information includes, for instance, the following.
  1. Name
  2. Place, date and No. of Registration.
  3. Place of main work and any other relevant information.
  4. Date of nomenclature in the unified list.

**Article (16):**

The Technical Committee shall carry out the following:

- a. Notify the competent parties of any amendments on the names of persons, entities or information of any of them or which are required to be completed.
- b. Provide the Sanctions Committee of any additional information which becomes available thereto determine the identity of persons and/or named entities including the supporting documents to such information .
- c. Take the measures which would ensure the notification of the competent parties and the countries concerned with the measures taken by it within the framework of its application of the provisions of these instructions including the freezing decisions or naming or deleting the names from the unified list and respond to any orders received by the Sanctions Committee in this regard.

**Article (17):**

Any person who comes to know of the occurrence of a violation to the provisions of these instructions is required to immediately inform the Technical Committee thereof.

**Article (18):**

Whoever violates the provisions of these instructions shall be punished by the penalties provided for in the AMT/CFT law in force.

**Article (19):**

The Ministry of Foreign Affairs shall communicate with the Permanent Representative for the Hashemite Kingdom of Jordan to the United Nations wherever an obligation is stated on the Technical Committee to communicate with the Sanctions Committee of any measure according to the provisions of these instructions.

**Article (20):**

The Technical Committee shall prepare the necessary reports on the measures taken in the Kingdom in the course of application of Security Council resolution No. 1267 (1999) and other relevant resolutions.

**Article (21):**

The provisions of these instructions shall be applied, notwithstanding any granted rights or imposed obligations under any international agreement or contracts pervious to the date of enforcement of the provisions of these instructions, on any persons or entities towards whom the provisions of these instructions should be applied.

**Article (22):**

- a. Further to the provisions of these instructions and in the cases other than those provided for therein, all parties committed to apply the provisions of these instructions undertake to apply any of the other Security Council resolutions related to these instructions provided they do not conflict with any of the international agreements ratified by the Kingdom, the international agreements to which the Kingdom is a party or any of the legislations in force.
- b. The Technical Committee shall coordinate with the competent parties for the purposes of implementing the obligations provided in Security Council resolution No. 1267 (1999) and the other relevant resolutions concerning the banning of travel, granting of visas and purchase of arms on the named persons and entities towards whom the provisions of these instructions should be applied, if required.

**Article (23) :**

The Technical Committee shall, for the purposes of implementation of these instructions, adopt the forms attached to these instructions which are issued by the Sanctions Committee.

**Article (24):**

The control, supervisory, administrative and security parties as well as any other party concerned with the implementation of these instructions undertake to issue a guidebook to the parties which are subject to its control and supervision for the purposes of implementing the obligations provided in these instructions.

**Article (25):**

The Committee shall issue the necessary decisions for implementing the provisions of these instructions.

**Instructions No. (2) for the Year 2010****Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1373 (2001) and Other Relevant Resolutions Issued by the National Committee for Anti Money Laundering & Combating the Financing of Terrorism Based on the Provisions of Para (c) of article (37) of the Anti Money Laundering & Combating the Financing of Terrorism Law No. (46) for the Year 2007, as Amended.****Article (1) :**

These Instructions shall be called “Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1373 ( 2001) and Other Relevant Resolutions for the Year 2010 “ and shall go into operation as of the date of its adoption by the National Committee for Anti Money Laundering & Combating the Financing of Terrorism<sup>(1)</sup> and shall be published in the official gazette .

**Article (2) :**

- a. The words and phrases stated in these Instructions shall have the meanings assigned thereto under Article (2) of the Anti Money Laundering & Combating the Financing of Terrorism Law No. (46) for the year 2007, as amended, in force unless the context provides otherwise.
- b. The following words and phrases shall have the meanings assigned thereto hereunder unless the context provides otherwise:

|                        |   |   |
|------------------------|---|---|
| Technical Committee    | : | The Committee formed according to the provisions of article (3) of these Instructions.  |
| Terrorist Person       | : | Any natural person who committed, attempted to Commit, participated, contributed therein, facilitated its commitment, directed another person to commit it, knew of the intention of a person or an organization to commit it or enhanced the commitment thereof, by any mean, directly or indirectly and by his free will .  |
| Terrorist Organization | : | Any organization, body, society, group or cell consisting of two persons or more whose object is to commit a terrorist act, whether the act took place, attempted to commit, participated or contributed therein, facilitated its commitment, directed third parties to commit same, knew of the intention of a person or organization to commit it or enhanced its commitment by any other mean, whether directly or indirectly. |
| Terrorist Act          | : | The terrorist act and acts of the same level as defined in the anti terrorism law in force.   |
| List                   | : | The list prepared and adopted by the Technical Committee with respect to terrorist persons or terrorism organizations and all those who are connected therewith and towards whom the provisions of these Instructions apply.  |
| Economic Resources     | : | The assets of whatever type whether tangible or intangible, movable or immovable, real or probable, including the assets which are not considered as money but can be used to obtain any monies, commodities or services.   |

23/8/2010

- Freezing : Imposing immediate temporary ban without advance notice on all monies and economic resources in so far as its transfer, replacement or disposal thereof, movement or subjection to receivership or temporary control based on a decision issued by the Technical Committee which pertain to or whose ownership belong to or is in the possession of or controlled by a terrorist person or terrorist organization including the monies generated out of monies or economic resources owned or subject directly or indirectly to any thereof or to persons who work on their behalf or under his direction.
- Without delay : Freezing any of the monies and economic resources by the financial and none financial Parties promptly upon notification of same, whenever the Technical Committee has reasonable reasons or sufficient basis for doubt or suspecting that someone who is one of the persons whose names are listed in the list for the purposes of preventing the disposal of the monies or economic resources including smuggling of same.
- Reasonable Reasons or Basis : A set of facts or circumstances which would render the accustomed person (who holds usual degree of judgment and prudence) decides that a given subject runs beyond the degree of suspicion or probability.

**Article (3):**

- a. A Committee called the “Technical Committee for the implementation of Security Council Resolution No. 1373 (2001) and Other Relevant Resolutions “ under the chairmanship of the Unit Head and membership of Legal Departments’ Directors or those of the same level in each of :
1. Ministry of Foreign Affairs / Deputy Chairman
  2. Ministry of Interior
  3. Ministry of Justice
  4. General Intelligence Department
  5. Public Security Directorate
  6. Central Bank of Jordan
  7. Land & Survey Department
  8. General Customs Department
  9. Companies Control Department
- b. Every one of the parties referred to in para (a) hereof shall name a substitute in the event of absence of the Legal Department’s Director or whoever of the same level .
- c. The Unit Head shall appoint a secretary for the Technical Committee from amongst its employees. The secretary shall undertake the recording of minutes of its sessions, decisions, keeping its documents and any other matters entrusted to him by the Technical Committee.

**Article (4):**

- a. The Technical Committee shall convene at least once every month and whenever there is a need thereto, provided the invitation for the meeting and determination of the agenda shall be by a decision of its Chairman or, in the event of his absence, by his deputy.



- b. The quorum for the meetings of the Technical Committee shall be the attendance of majority of its members provided that the Chairman or his deputy be amongst them. Its decisions shall be passed by the majority of the attending members.
- c. The Technical Committee may, when necessary, issue its decisions by the method of passing, provided a unanimous decision is passed and the Technical Committee should be advised of the decision at its first meeting.
- d. The Technical Committee may form one temporary subcommittee or more from amongst its members to study any of the matters presented to it, provided that its functions are determined in the decision of its formation.
- e. The Technical Committee may seek the assistance of any person or party to assist it or assist any temporary sub-committee formed according to the provisions of para (d) hereof in carrying out its functions without having the right to vote upon taking its decisions.

**Article (5):**

It is prohibited for any of the members of the Technical Committee, its secretary or any one who has access or comes to know by virtue of his work, whether directly or indirectly, of any information that was submitted or exchanged pursuant to the provisions of these instructions, to reveal any of such information he had access to or came to know of directly or indirectly or disclose such information in any form whatsoever except for the purposes of implementing these instructions including the disclosure of the source of such information. Such prohibition shall continue until after the termination of their work on or with the Technical Committee.

**Article (6):**

The Technical Committee shall assume the functions and authorities connected with the implementation of Security Council resolution No. 1373 (2001) and other relevant resolutions according to the proceedings provided for in these instructions and forms approved by it for this purpose. The Technical Committee may, towards carrying out its functions and authorities, coordinate with the security, control, supervisory and administrative parties as well as with any other party concerned with the implementation of these instructions.

**Article (7):**

- a. The Technical Committee shall prepare and approve a list according to the provisions of these instructions of the names of terrorist persons, terrorist organizations and of any natural or corporate person who owns, controls, works in the name, for the interest or under the direction of a terrorist organization.
- b. The Technical Committee shall circulate the list provided for under para (a) hereof in the manner it deems suitable. The Technical Committee shall review and amend the list when necessary.

**Article (8):**

- a. The Technical Committee shall “and without delay” circulate to the control, supervisory, security and administrative parties as well as to any concerned party to take the necessary measures for freezing of funds or economic resources of the terrorist persons or terrorist organizations or any funds for the persons who work on their behalf or for their interest or under their direction including the other funds and economic resources from which properties owned or controlled, directly or indirectly, by such persons or by those tied with them, are derived or generated. The Technical Committee may freeze the funds of ascendants, descendants and spouse of any of the terrorist persons if such action is deemed justified by it, provided that the Technical Committee is informed of the action taken in this regard.
- b. The Technical Committee shall receive the objections submitted to it on the freezing measures of funds and economic resources according to the provisions of para (a) hereof by the persons who were affected by such measures or their representatives. The Technical Committee shall study such objections and take a decision thereon within five working days from the date of submission of the application. In the event of

acceptance of the objection, the Technical Committee should take the measures for canceling the freezing and inform the party which has carried out the freezing action and the objection applicant thereof.

- c. Notwithstanding the provisions of para (a) hereof, the rights of bona fide third parties upon executing any of the freezing proceedings.

**Article (9):**

- a. The Technical Committee shall receive the incoming applications to the competent authorities in the Kingdom from other countries with respect to freezing of funds or economic resources of persons residing in its territories.
- b. The Technical Committee shall study such applications according to the proceedings provided for in these instructions and the Technical Committee should finalize the study of application within seven working days from the date of its receipt.
- c. In the event of the Technical Committee's approval of any of the applications referred to under para (a) hereof, the funds or economic resources shall be frozen "without delay" according to the proceedings provided for in these instructions.
- d. The Applicant country shall be informed of the acceptance or rejection of the freezing application as well as of the measures taken accordingly.

**Article (10):**

- a. The Technical Committee shall receive the incoming applications to it from the competent parties, other countries and the concerned person with respect to the deletion of a name or names from the list which are supported by documents and instruments.
- b. The Technical Committee shall study the applications stated in para (a) hereof according to the proceedings provided for in these instructions including the study of the application in cooperation with the deletion applicant party or country. The Technical Committee should finalize the study of this application within seven working days from the date of submission of the application.
- c. In the event of the Technical Committee's approval of the application submitted according to the provisions of para (a) hereof, the name shall be deleted from the list and the Technical Committee shall communicate with the concerned party for the purposes of immediate lifting of freezing off the funds and economic resources subject of freezing and inform the other competent parties of lifting the freezing. However, in the event of rejection, the applicant shall be notified in writing thereof accompanied by the reasons of rejection.
- d. If the deletion application is submitted by another country, it shall be advised of acceptance or rejection of the request as well as of the measures taken accordingly.

**Article (11):**

- b. The Technical Committee, and as it deems fit, may approve the utilization of part of the frozen funds or economic resources as follows:
  - 1. Meet the necessary needs to cover the basic expenses of the terrorist person whose funds are frozen including the amounts paid in consideration of the foodstuff, rental, real estate mortgage, medicines, medical treatment, taxes, insurance premiums and general services fees.
  - 2. In consideration of reasonable professional fees and settlement of expenses with respect to the provision of legal services or fees or service fees pertaining to ordinary safekeeping and maintenance of frozen funds or economic resources.
  - 3. Cover exceptional expenses other than those stated under items (1) and (2) of para (a) hereof.
- b. The applications for the purposes of finalizing any of the items stated under para (a) hereof by the concerned persons or their representatives to the Technical Committee directly enclosing all supporting documents and instruments therewith.
- c. The Technical Committee shall study the submitted applications according to the provisions of para (b) hereof including the reasons of application and amount of the required sums. The Technical Committee may reduce the amount of such sums based on justified reasons and the Technical Committee may reject the application if it has justifiable reasons.

- d. The Technical Committee should respond to the applicant within five working days from the date of submission of the application either by acceptance or rejection. In the event of acceptance, the Technical Committee should inform the applicant, funds freezing party and competent party of the lifting of freezing provided that the Technical Committee is informed of the action taken in this respect. However, in the event of rejection, the applicant should be informed in writing thereof together with the reasons of rejection.
- e. If the applications provided for in paragraph (b) of this article pertain to funds or economic resources which were frozen upon the request of another country according to the provisions of article (9) hereof, it shall be incumbent upon the Technical Committee to inform the other country of the application submitted to it and provide it with all documents and instruments connected with the application and thence obtain the written approval of that country on the acceptance or rejection of the application within ten working days from the date of submission of the application.

**Article (12):**

- a. The financial parties may credit the accounts which were frozen with any amounts or transfers provided that these added amounts to the said accounts are frozen and that the financial parties should immediately inform the Technical Committee of such transactions.
- b. All amounts resulting from any contracts, agreements or liabilities or arose prior to the date in which any person was inserted on the list shall be added to the frozen amounts according to these instructions including the profits and interests provided all these amounts are frozen .
- c. For the purposes of implementing the provisions of paras (a) and (b) above, the Technical Committee should be informed in the event of none existence of banking accounts to the terrorist person or organization in order to take the suitable action.

**Article (13):**

- a. All financial and none financial parties should resort to the list upon conducting any transaction or entering into a new relation with any person to ascertain the none insertion of his name on the list. In the event of mentioning a conforming or similar name, these parties are required to freeze his funds and economic resources and immediately inform the Technical Committee of the action taken in this respect.
- b. All financial and none financial parties undertake not to make available any funds or economic resources whether directly or indirectly to any terrorist person or organization inserted on the list by the Technical Committee or to the interest of either one of them under the penalty of legal responsibility.
- c. If it is discovered by any of the security, control, supervisory or administrative parties or any party concerned with the implementation of the provisions of these instructions that any of the financial or none financial parties which are subject to their control or supervision did not carry out the measures provided for under paras (a) and (b) hereof, they should immediately inform the Technical Committee thereof.

**Article (14):**

It is prohibited for anyone to make any funds or financial resources available or provide any financial or other service to a terrorist person or organization inserted on the list by the Technical Committee or to the interest of either one thereof under the penalty of legal responsibility.

**Article (15):**

- a. The financial and none financial parties and any person charged with the implementation of the provisions of these instructions are required to immediately provide the Technical Committee with any information which would assist in the adherence with these instructions and particularly the information relating to the funds and economic resources which belong, owned or controlled by a terrorist person, terrorist organization or any person working for their interest or on their behalf.

- b. It is prohibited to utilize the information referred to under paragraph (a) hereof except for the purposes which were provided or obtained due thereto.

**Article (16):**

The Ministry of Foreign Affairs shall communicate with the Permanent Representative for the Hashemite Kingdom of Jordan to the United Nations in implementation of the provisions of these instructions, when required.

**Article (17):**

The Technical Committee shall prepare the necessary reports on the measures taken in the Kingdom in the course of application of Security Council resolution No. 1373 (2001) and other relevant resolutions.

**Article (18):**

Any person who comes to know of the occurrence of a violation to the provisions of these instructions is required to immediately inform the Technical Committee thereof.

**Article (19):**

Whoever violates the provisions of these instructions shall be penalized pursuant to the sanctions provided for in the AMT/CFT law in force.

**Article (20):**

The provisions of these instructions shall be applied, notwithstanding any granted rights or imposed obligations under any international agreement or contracts pervious to the date of enforcement of the provisions of these instructions, on any persons or entities towards whom the provisions of these instructions should be applied.

**Article (21):**

- a. Further to the provisions of these instructions and in the cases other than those provided for therein, all parties committed to apply the provisions of these instructions undertake to apply any of the other Security Council resolutions related to these instructions provided they do not conflict with any of the international agreements ratified by the Kingdom, international agreements to which the Kingdom is a party or any of the legislations in force.
- b. The Technical Committee shall coordinate with the competent parties for the purposes of implementing the obligations provided for in the Security Council resolution No. 1373 (2001) and the other relevant resolutions concerning the banning of travel, granting of visas and purchase of arms to the named persons and entities towards whom the provisions of these instructions should be applied, when required.

**Article (22):**

The Technical Committee shall prepare the required forms for the purposes of implementing the provisions of these instructions.

**Article (23):**

The control, supervisory, administrative and security parties as well as any party concerned with the implementation of these instructions undertake to issue a guidebook to the parties which are subject to its control and supervision for the purposes of implementing the obligations provided in these instructions.

**Article (24):**

The Committee shall issue the necessary decisions for implementing the provisions of these instructions.

## **Instructions and guidelines for Combating Money Laundering and the financing of terrorism issued by the control and supervisory bodies and other competent authorities**

Several regulatory, supervisory authorities and other competent authorities concerned with combating money laundering and terrorist financing issued instructions and guidance manuals include the procedures to be taken by entities subject to its supervision for combating money laundering and terrorist financing transactions in consistent with the provisions of the Anti Money Laundering and Counter Terrorist Financing Law No. (46) For the Year 2007, as follows:-

- **Anti Money Laundering and Counter Terrorist Financing Instruction No. 51/2010 of Banks**
  - Guidance Manual for Anti-Money Laundering and Counter Terrorism Financing related to Banks
- **Anti Money Laundering and Counter Terrorism Financing Regulation related to Money Exchange Companies no. (2/2010)**
  - Guidance Manual for Anti-Money Laundering and Counter Terrorism Financing related to Money Exchange Companies
- **Instructions on Anti Money Laundering and Counter Terrorist Financing in Securities Activities**
- **Anti Money Laundering and Counter Terrorist Financing Instruction of Insurance Activities No. 6/2010**
- **Anti Money Laundering and Counter Terrorist Financing Instruction Pertaining to Goldsmithing and Sale of Jewelry, Precious Metals and Gems' Shops for the year 2010**
  - Guidance Manual for Anti Money Laundering and Counter Terrorist Financing Pertaining to Goldsmithing and Sale of Jewelry, Precious Metals and Gems' Shops
- **Anti Money Laundering and Counter Terrorist Financing Instruction Pertaining to Licensed Real Estate Offices for the year 2010**
  - Guidance Manual for Anti Money Laundering and Counter Terrorist Financing of Trading in Real Estates and its Developments
- **Anti Money Laundering and Counter Terrorist Financing Instruction Pertaining to Companies which exercise the Activity of Financial Leasing for the year 2011**

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