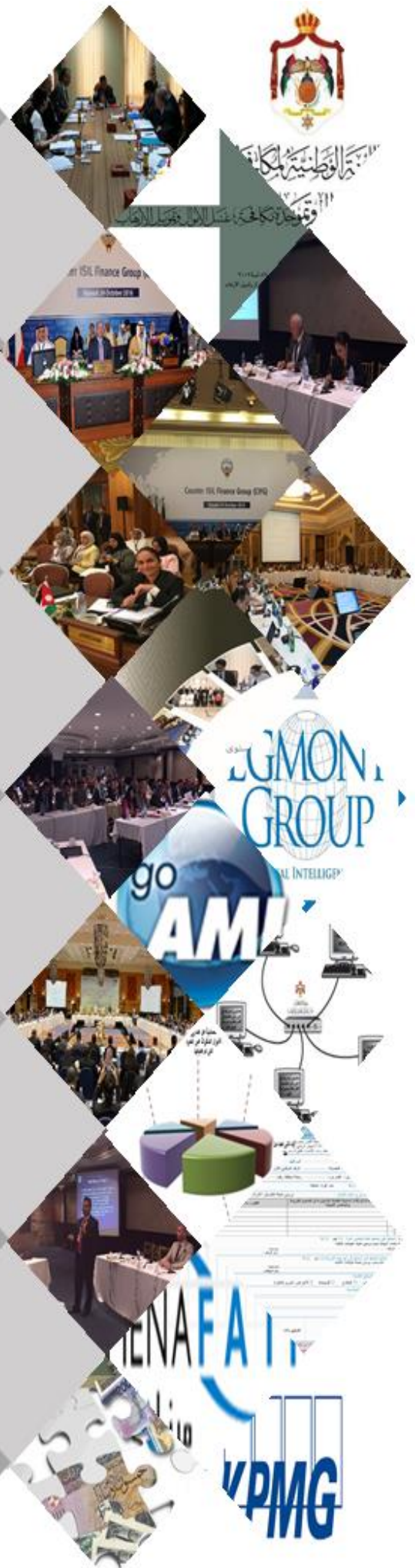




**Anti Money Laundering  
& Counter Terrorist Financing Unit**

# **Annual Report 2016**





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



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



# Chapter One:

## National Committee



# National Committee Tasks and Authorities

## The National Committee Formation

The National Anti Money Laundering and Counter Terrorist Financing Committee was formed pursuant to the provisions of Article (5) of Law No. (46) for the year 2007, the Anti Money Laundering and Counter Terrorist Financing Law and the amendments thereto, chaired by the Governor of the Central Bank of Jordan and the membership of the following:-

1. Deputy Governor of the Central Bank of Jordan designated by the Governor- Deputy Chairman of the Committee
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. Secretary General of the Ministry of Industry, Trade and Supply
7. General Controller of Companies
8. A Commissioner of the Securities Commission Board
9. Chief of the Unit

## National Committee Tasks and Authorities

The Committee undertakes to perform the following tasks and authorities:-

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 and the amendments thereto, Regulation of the National Committee's function was issued which determined the National Committee meetings, the necessary quorum of the Committee's meetings, decisions taken, its recommendations, the committee's modus operandi and other related provisions.

## National Committee Members

### **Chairman**

Governor of the Central Bank of Jordan

H. E. Dr. Ziad Fariz

### **Deputy Chairman**

Deputy Governor of the Central Bank of Jordan

H. E. Dr. Maher "Sheikh Hasan"

### **Member**

Secretary General of the Ministry of Justice

H. E. Judge Mr. Ahmad Jamaliah

### **Member**

Secretary General of the Ministry of Interior

H. E. Mr. Samir Mbaydeen

### **Member**

Secretary General of the Ministry of Finance

H. E. Dr. Ezzedine Kanakrieh

### **Member**

Secretary General of the Ministry of Social Development

H.E Mr. Omar Hamzeh

### **Member**

Secretary General of the Ministry of Industry, Trade and Supply

H. E. Mr. Yousef AlShamali

### **Member**

Companies Controller<sup>1</sup>

H. E. Mr. Ramzi Nozha

### **Member**

Commissioner from the Jordan Securities Commission

H. E. Mr. Mansour Hadadin

### **Member**

Chief of the Unit

H.E. Mrs. Dana Junbulat

<sup>1</sup> as of July 2016 instead of H. E. Dr. Omar Zoubi

## **Money Laundering and Terrorist Financing National Risk Assessment**

One of the main considerations of the anti money laundering and counter terrorist financing system of the country is the money laundering and terrorist financing national risk assessment of that country and the counter measures taken by the country to address such risks and mitigating their negative impacts.

In this context, and taking into consideration that the Hashemite Kingdom of Jordan will be subject to the mutual evaluation process conducted by the Middle East and North Africa Financial Action Task Force (MENAFATF) at the beginning of 2018 to evaluate the Kingdom's level of compliance with the FATF International Standards, in particular the Kingdom's money laundering and terrorist financing risk assessment on the national level; key steps had to be taken to conduct this assessment.

Hence, the National Anti Money Laundering and Counter Terrorist Financing Committee, as a responsible body for developing the general policy for anti money laundering and counter terrorist financing, preventing such crimes and setting the plans necessary for implementation, decided to conduct a comprehensive study for the purposes of identifying, analyzing and understanding ML/TF risks, any threats or damages may result from such risks by preparing a written

report which determines the methodology which has been followed to assess risks, the consequences, and setting the necessary programs and work plans to address vulnerabilities to prevent money laundering and terrorist financing risks and to develop a system that ensures the resources (human and financial) are channeled more effectively in accordance with the risks to which the Kingdom is exposed in this regard.

During this year, a number of consultations were held with relevant international organizations for providing assistance to the Kingdom in this area. These consultations were concluded at the end of December 2016 in agreement with the International Monetary Funds (IMF) to provide a technical assistance to the Kingdom to carry out the mentioned national risk assessment through using the IMF's tools and specialized expertise.

Hence, we must be aware that conducting the national risk assessment is a top priority for the Kingdom. It requires necessarily reinforcing all the national efforts, maximize such and achieving the utmost degrees of cooperation between all concerned national agencies and work together to ensure the success of this process through effective performance at the highest levels of professionalism to complete the National Risk Assessment process successfully.

Accordingly, the national ML/TF risk assessment process will be initiated at the beginning of next year, which will be conducted under the supervision of the national team formed under the chairmanship of the Anti Money Laundering and Counter Terrorist Financing Unit and the membership of all the national authorities represented by the National Anti Money Laundering and Counter Terrorist Financing Committee in cooperation with the IMF's experts with the participation of all other national agencies concerned with AML/CTF in the Kingdom.



## Basel AML Index 2016 Scores and Rankings

The National Anti Money Laundering and Counter Terrorist Financing Committee is constantly keen to advance the level of performance and accomplishments achieved by the Kingdom in the enhancement of the AML/CTF system during the past years, reinforcing measures by taking all the necessary procedures to protect the Kingdom's financial system and transactions between the national financial institutions and their foreign counterparts. In this context, it is important to note the considerable support provided by the National Committee to the Anti Money Laundering and Counter Terrorist Financing Unit particularly in the field of exchanging information on the national level between the Unit and the representative authorities of the National Committee. This is necessarily reflected in the quality and diversity of information that the Unit can exchange with its counterparts in other countries, as part of a clear action, cooperation and coordination between all national entities in order to establish an effective system in the Kingdom to combat money laundering and terrorist financing, which led to Jordan became (35) among (149) countries globally; Jordan became the third Arab country in the Middle East and North Africa to have low ML risks

according to the Basel AML Index Scores and Rankings of 2016.

The Basel Anti-Money Laundering and Counter Terrorist financing Index Scores and Rankings assesses the risks of countries in the area of money laundering and terrorist financing by assessing the frameworks of countries for combating such risks and other related factors such as financial sector standards, public transparency and the e



effectiveness of judicial system in the country. The Basel AML Index risks ratings ranges from "zero" degree, lowest risk country to "10" degrees, the highest risk country, whereby Jordan achieved (4,88) points within this framework.

## **CHAPTER TWO: The Unit**



**Anti Money Laundering  
& Counter Terrorist Financing Unit**

## The Chief Statement

I did not find more eloquent words to start my statement for this year than what His Majesty our King said "the war on terrorism is our war together".

Your Majesty, it is our war together by all means, especially that we are in a region where storms blow from all sides; hence, we must raise the level of confrontation with the continuing terrorist threat to confirm that the Hashemite Kingdom of Jordan is a key player in the region despite its modest capabilities and resources. We believe that the Anti Money Laundering and Counter Terrorist Financing Unit has a major role in this war in terms of cutting off the financing of this crime to prevent terrorists from committing such crime.

We reject the financing of terrorism in all its forms and we believe that it is a betrayal of our homeland and religion. This year, we successfully referred a number of cases on charges of terrorist financing. We also shared some of our experiences regionally and internationally.

As part of our continuous efforts to develop the essence of our work, and within a series of recent actions taken by the Unit to achieve the objectives of the action plan of anti money laundering and counter terrorist financing, we had to begin our first steps to conduct a national risk assessment of money laundering and terrorist financing in the Kingdom. We conducted a number of consultations with relevant international institutions to provide assistance to the Kingdom in this field. These consultations concluded by the agreement with the International Monetary Fund (IMF) to provide such assistance to the Kingdom to conduct the assessment, which we hope will be completed to the fullest by the end of 2017.

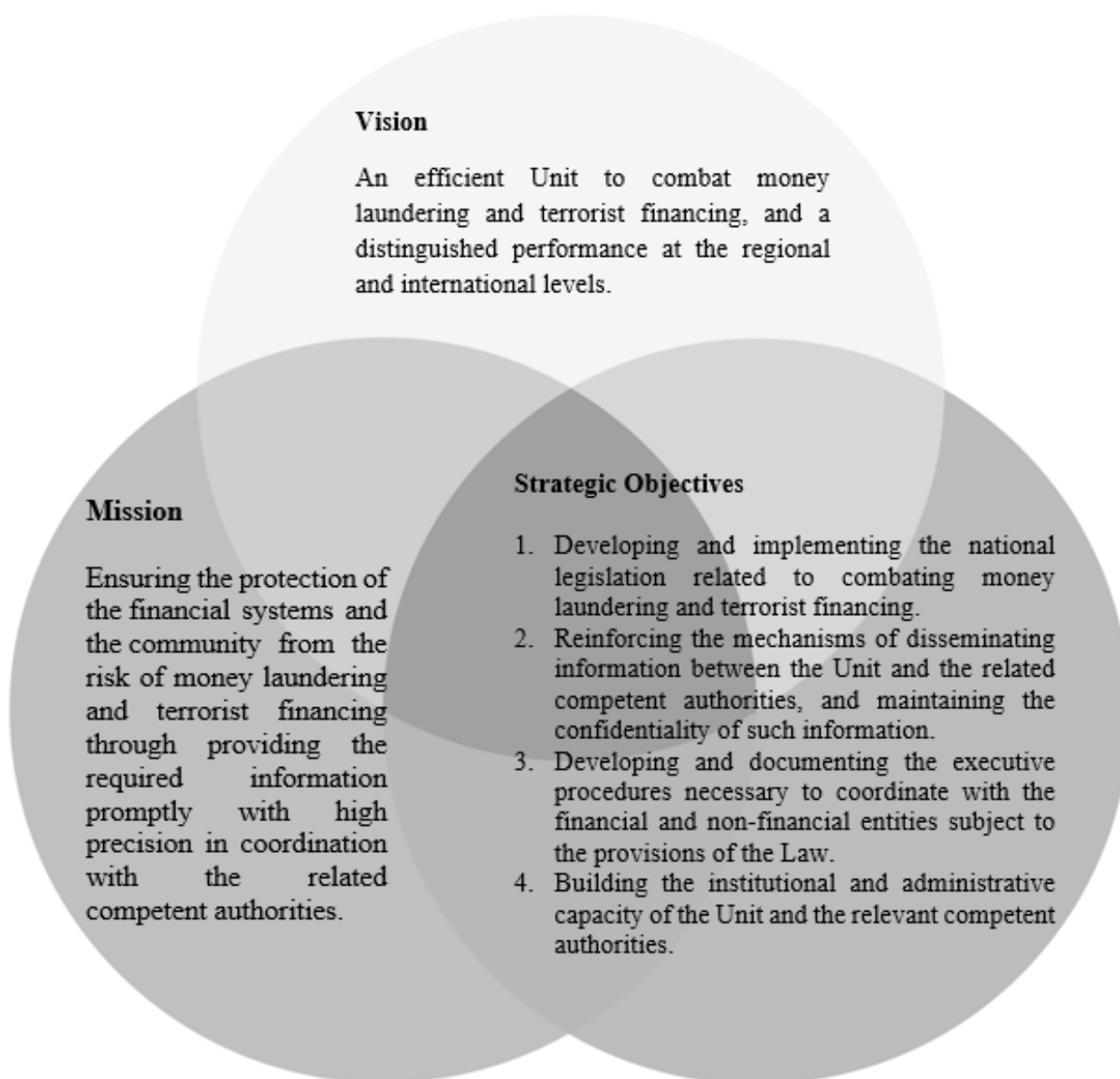
We are still on our approach to continue building and developing the skills and capacities of our actual capital in the Unit, the Unit's staff and to enhance their capacities by appointing a group of staff with unique expertise compatible with the future tasks and challenges of our work. In 2016, we also reinforced and modernized the technological system of our work cell in line with the best specifications in this field.

We are convinced that the success of our work is only because we are working as part of a whole system of national institutions that stay up to protect and secure the national homeland and address all that would affect the financial treasures of our precious homeland and its security, safety and stability.

We are in a race with ourselves and we see that the future begins today, not tomorrow, our efforts during the past year focused on taking all necessary measures in preparation for the next phase of the evaluation process in accordance with the FATF International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation and the Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems including conducting a legislative review and helping in developing risk-based supervision procedures for risk management in cooperation with the International Monetary Fund (IMF).

In conclusion, I would like to pay tribute to all those who support us from our national institutions and our international partners in advancing our duty towards our great homeland, hoping that it will remain God's protection and care under the leadership of His Majesty King Abdullah II Bin AL Hussein.

**Dana Junbulat**  
**Chief**





## About the Unit

The Anti Money Laundering and Counter Terrorist Financing 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 associated with the Governor of the Central Bank of Jordan.

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 authorities to provide it with any additional information related to the notifications received if it is considered necessary to perform the Unit's tasks or upon a request made by Counterpart Units within the period specified in the request.

The Judicial authorities, regulatory and supervisory authorities performing their powers over entities subject to the provisions of the Anti Money Laundering and Counter Terrorist Financing Law and any other administrative or security authorities, are also

requested to provide the Unit with any additional information related to the notifications received if it is considered necessary to perform its tasks.

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

The Unit 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 submits to the National Anti money Laundering and Counter Terrorist Financing Committee reports on the Unit's work and activities every three months.

The Unit undertakes, in order to carry out its mandate, studies, researches and developing awareness and training programs in the field of anti money laundering and counter terrorist financing.

## The Unit's Activities on the National, Regional and International Levels

The Unit assumes the primary role in the fight against money laundering and terrorist financing as the national central body to receive the notifications of any transaction suspected to be related to money laundering or terrorist financing, 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. These tasks of the Unit are further enhanced with the authority to request additional information from the entities obliged to report to the Unit and the relevant competent authorities, in addition to exchanging information with counterpart units, after that the Unit prepares a report of the intelligence, analysis and the studying of the suspicious activity reports and notifications, and taking the appropriate decision therewith including the referral to the General Prosecutor or the competent authorities or closing such until further updates received in this regard.

As the protection of the Kingdom and citizens from money laundering and terrorist financing is common national responsibility that requires national cooperation and coordination within an integrated system among all parties in order to exchange and share information, the Unit including its strategic plans seeks to strengthen

all cooperation means with the national authorities concerned with combating such crimes. In addition, the Unit was keen to meet regularly with all the competent authorities and the entities subject to the requirements of anti money laundering and counter terrorist financing. In the same context, in order to optimize its role, the Unit addressed some national authorities to expedite access of information available in their databases through electronic links between the Unit and the competent authorities for combating such crimes.

The Unit has also given the subject of training and developing the human resources the utmost importance for its belief that the human element is the main engine of the Unit's resources especially when it has the quality of skill knowledgeable capacity commensurate with the nature of work at the Unit. The Unit sent in 2016 its employees to official and scientific missions outside and inside the Kingdom to participate in conferences and workshops in the field of anti money laundering and counter terrorist financing or related topics, as well as participating in the meetings of the groups that are occupied by the Unit regionally such as the meetings of the Middle East and North Africa Financial Action Task Force (MENAFATF) and internationally such as the meetings of the Egmont Group of Financial Intelligence Units.

In 2016, the Unit set up, developed and updated its technological infrastructure for the purposes of operating a modern and sophisticated electronic reporting system that serves the Unit in achieving its objectives and performing its tasks. The cadre of staff in a number of directorates at Unit have been reinforced to provide experienced and specialized cadres with specific expertise to create an organizational structure that serves the objectives of the Unit.

The following are the highlights of the Unit's activities during this year:-



**Efforts to Develop the Electronic Reporting System on Transactions Suspected to be Related to Money Laundering and Terrorist Financing of the Unit**

Based on the AML/CTF Unit's keenness to develop its electronic reporting system on transactions suspected to be related to money laundering and terrorist financing implemented at the Unit including the development of its database and systems for dealing with the notifications on suspicious transactions to allow for conducting operational analysis of notifications received by the Unit electronically, drawing links between persons and relationships, tracking activities and possible proceeds of money laundering or terrorist financing crimes, the ability to extract various statistics related to notifications on

suspicious transactions and procedures taken in this regard, and following –up automatically the workflow especially with the increasing number of notifications on suspicious transactions received by the Unit, the Unit has chosen to use one of the electronic systems for receiving, analyzing and distributing notifications, the advanced (goAML) system developed and provided by the United Nations Office on Drugs and Crime (UNODC).

In this context, the Unit signed an agreement with the United Nations Office on Drugs and Crime (UNODC) for this purpose. This was followed by the execution of two on-site visits to the AML/CTF Unit by the (UNODC) to determine the scope and the initial experimental operation of the system.

The Unit also held three main meetings with the reporting managers, IT representatives and the system project working groups at the banks, in addition to many bilateral meetings in order to brief them on the system in all its aspects and to answer all inquiries related to the process of technological compatibility with it.

**Reinforcing the Electronic Security System of the Anti Money Laundering and Counter Terrorist Financing Unit**

In 2016, the Unit worked on implementing a set of technical measures aimed at improving the electronic working environment within the Unit as well as protecting it against various risks. A number of main devices, main operating systems

and users work stations at the Unit were upgraded as well as updating and upgrading the backup software user protection and antivirus software, in addition to the operation of specialized software to protect the emails system including the updating of the software systems of the network information security and anti-hacking system, and a review of the policy of the use of internal devices and powers of users.

### **Reinforcing the Cadre of staff of the Anti Money Laundering and Counter Terrorist Financing Unit**

Due to the growth of the Unit's work and using the electronic reporting system (goAML), it was necessary to work on completing the cadre of staff especially in the IT, financial, administrative and internal audit functions; therefore, in 2016, the Unit reinforced its cadre of staff by appointing a number of employees in IT, financial, administrative and internal audit functions whereby the number of the employees at the Unit reached for (20) employee by the end of 2016 and the Unit will complete its cadre of staff during 2017.

During 2016, some of issues related to personnel affairs, procurements, warehouse, administrative and financial affairs of the unit were organized by issuing, reviewing and amending some of the relevant instructions and the preparation of several reports, statements and regulatory records.

### **Meetings, Training and Workshops on the National, Regional and International Levels**

The participated during this year in several meetings, conferences and workshops as well as providing presentations in a number of these meetings and workshops to reflect its expertise in the field of AML/CTF as the continuous training of the Unit's staff is an essential part of its comprehensive approach to raise awareness and refine the skills and expertise of its staff including those of other national agencies in the field of AML/CTF. Furthermore, the participation of the Unit in the regional and international conferences enhances its cooperation with the organizations it occupies and allows it to carry out its responsibilities towards the increasing new challenges in the field of AML/CTF as well as keeping pace with the latest developments and updates in the international arena that accompany the rapid developments of the criminals techniques used in committing money laundering and terrorist financing.

### **Workshops and Training on the National Level**

During this year, the Unit sent its employees to official and scientific missions outside and inside the Kingdom to participate in workshops organized by international institutions, bodies, agencies and organizations. The number of workshops participated by the Unit during this year reached for (18) workshop which addressed several topics that included a national workshop on "Investigation, Indictment and Adjudication in



Terrorist financing Cases: Mock Trial" organized by the United Nations Office on Drugs and Crime (UNODC)/ Terrorism Prevention Department, workshop on "Money Laundering and Terrorist financing National Risk Assessment" held by the Unit in cooperation with the Global Center on Cooperative Security, Financial Inclusion Forum: Towards Strategic Financial & Social Stability organized by the Union of Arab Banks, workshop on "Exchanging Experiences on Counter Terrorist Financing by Developing Indicators" with the participation of experts and speakers from Australia, France, Ireland, and representatives from security agencies concerned with counter terrorist financing.

#### **Meetings and Workshops on Regional and International Levels**



The Unit during this year participated in several meetings and workshops organized by international and regional bodies and organizations such as the Middle East and North Africa Financial Action Task Force (MENAFATF) , Egmont Group, International Monetary Fund (IMF) and other international bodies and organizations. The number of

conferences and workshops participated by the Unit on the regional and international levels reached for (12) meeting and workshop which includes Egmont Group Working Groups held in Monte Carlo City in Monaco during the period from February 1<sup>st</sup>-4<sup>th</sup>, 2016, the Middle East and North Africa Financial Action Task Force (MENAFATF) Plenary Meeting held in Doha, Qatar from April 26<sup>th</sup>-28<sup>th</sup>, 2016, the 24<sup>th</sup> Middle East and North Africa Financial Action Task Force (MENAFATF) Plenary Meeting held in



Doha, Qatar during the period from November 15<sup>th</sup>-17<sup>th</sup>, 2016. In addition, the Unit participated in a workshop on Preparing MENAFATF Members to the second round of the Mutual Evaluation organized by the MENAFATF in cooperation with Arab Monetary Funds, Abu Dhabi, UAE, during the period from 20-22 March 2016. Furthermore, the Unit participated in the break out sessions of the MENAFATF/APG joint Typologies and Capacity Building Workshop on "Terrorist Financing and Social Media" and the "Best Operational Practices and the Challenges of Exchanging information between the National Agencies", conducted by Middle East and North Africa Financial Action Task Force (MENAFATF) in cooperation with the Asia/Pacific Group

on Money Laundering (APG) and the Permanent Committee for Anti Money Laundering in the Saudi Arabian Monetary Agency from 28<sup>th</sup> November to 1<sup>st</sup> December, 2016 in Jeddah, Kingdom of Saudi Arabia.

### **Reinforcing Cooperation with Counterpart Units**

A delegation of representatives of the Iraqi authorities from the Iraqi Anti Money Laundering Office and the Central Bank of Iraq organized by the Danish Programs Office in Amman of the Ministry of Foreign Affairs of Denmark visited the Anti Money Laundering and Counter Terrorist financing Unit to learn about its practical experience in the field of AML/CTF during the period from September 20<sup>th</sup> – 21<sup>st</sup>, 2016. For that purpose, the Unit has prepared specialized training programs that meet the needs of the representatives from the Iraqi authorities by presenting its experience in the field of the legislative framework in AML/CTF, the Kingdom experience in Mutual Evaluation in 2009, the process of joining the Egmont Group, the Unit tasks and powers in receiving the notifications of suspicious transactions and the procedures taken by the Unit in this regard, and providing a brief on the development of the electronic reporting system (goAML) that will be implemented in the Unit and the advantages offered by this system in the development of the Unit's database.

## Training /2016

| Date    | Subject  | Organizing Entity  | Organizing Entity |
|---------|--|--|-------------------|
| 10-11/2 | Mechanisms for Drying up the Sources of Financing Terrorism Forum  | Union of Arab Banks  | Amman – Jordan    |
| 24/2    | Workshop on "Risks of Financial Corruption and Prevention"   | Anti Corruption Commission   | Amman – Jordan    |
| 7-8/3   | Workshop on "Exchanging Information on Assets Recovery"  | Council of Europe in cooperation with the Anti Corruption Commission   | Amman – Jordan    |
| 8-10/3  | Workshop on "Investigation, Indictment and Adjudication in Terrorist Financing Cases"  | United Nations Office on Drugs and Crime (UNODC)   | Amman – Jordan    |
| 10/3    | Workshop on "International Cooperation on Assets Recovery"   | Council of Europe in cooperation with the Anti Corruption Commission   | Amman – Jordan    |
| 15/3    | Joint Workshop Titled "Security, Counter Terrorism and Extremism"  | Ministry of Foreign Affairs and Expatriate Affairs and European Union  | Amman – Jordan    |
| 22-23/3 | Workshop on "Improving Opportunities of Obtaining Financial Wire transfers and other Financial Services through Digital Solutions" | Central Bank of Jordan in cooperation with the GIZ   | Amman – Jordan    |
| 10-14/4 | Workshop on "Mechanisms of Implementing the UNSCRs Relevant to Counter Terrorism Financing and Relevant International Resolutions" | Anti Money Laundering and Counter Terrorist Financing Unit in cooperation with the Financial Services Volunteer Corps (FSVC) | Amman – Jordan    |
| 9-11/5  | A National Workshop in the Form of Mock Trial in the Field of Counter Terrorist Financing"   | United Nations Office on Drugs and Crime (UNODC)   | Amman – Jordan    |
| 18/5    | Launching the Study of the National Integrity System   | Rasheed Coalition for Integrity and Transparency   | Amman – Jordan    |
| 27/7    | A Workshop of Brain Storming   | Central Bank of Jordan   | Amman – Jordan    |
| 27-28/7 | Workshop on "Money Laundering and Terrorist Financing Risk Management in Supervision on Non-Profit Organizations (NPOs)"           | The Financial Services Volunteer Corps (FSVC)  | Amman - Jordan    |



### Training /2016

| Date       | Subject   | Organizing Entity  | Organizing Entity |
|------------|---|--|-------------------|
| 17-18/8    | A Workshop on "Money Laundering and Terrorist Financing National Risk Assessment "  | The Anti Money Laundering and Counter Terrorist Financing Unit in cooperation with the Danish Programs Office in Amman of the Danish Ministry of Foreign Affairs and the Global Center on Cooperative Security | Amman - Jordan    |
| 22-25/8    | Preliminary Training on the Electronic Reporting System (goAML)   | United Nations Office on Drugs and Crime (UNODC)   | Amman - Jordan    |
| 18-19/10   | Financial Inclusion Forum: Towards Strategic Financial & Social Stability   | The Union of Arab Banks  | Amman - Jordan    |
| 30/10-3/11 | A Specialized Workshop in Combating Money Laundering and Terrorist Financing in Securities, Insurance and Real Estates Sectors      | The Financial Services Volunteer Corps (FSVC)  | Amman - Jordan    |
| 31/10      | Workshop Sharing Experiences on "Developing Indicators on Counter Terrorist Financing"  | The Anti Money Laundering and Counter Terrorist Financing Unit in cooperation with the Danish Programs Office in Amman of Danish Ministry of Foreign Affairs and Global Center on Cooperative Security         | Amman - Jordan    |
| 9/11       | Workshop for the Jordanian Banks on the Implementation of Receiving, Analyzing and Distributing Electronic Reporting System (goAML) | The Anti Money Laundering and Counter Terrorist Financing Unit   | Amman -Jordan     |

| Lectures/2016 |   |  |                |
|---------------|---|--|----------------|
| Date          | Subject   | Organizing Entity                                    | Place          |
| 2/2           | A Lecture on Anti Money Laundering and Counter Terrorist Financing Law  | Preventive Security Training Centre – Police Academy | Amman - Jordan |
| 24/2          | A Lecture on Organized Crime  | Criminal Investigation Department                    | Amman - Jordan |
| 31/5          | A Lecture on Anti Money Laundering and Counter Terrorist Financing Law, the Role and Tasks of the Unit                              | Criminal Investigation training Centre               | Amman – Jordan |
| 4/10          | Anti Money Laundering and Counter Terrorist Financing Law, AML/CTF Preventive Measures and ML/TF Suspicious Transactions Indicators | Preventive Security Department                       | Amman – Jordan |
| 5/12          | A Lecture on Anti Money Laundering and Counter Terrorist Financing Law  | Preventive Security Department                       | Amman – Jordan |
| 7/12          | A Lecture on Tracing the Financial Assets   | Preventive Security Department                       | Amman – Jordan |



## Meetings, Conferences, and Workshops Regionally and Internationally

### Meetings, Conferences, and Workshops Regionally and Internationally/2016

| Date         | Subject   | Organizing Entity  | Place                 |
|--------------|---|--|-----------------------|
| 1-4/1        | Egmont Working Groups Meetings  | Egmont Group   | Monaco                |
| 20-22/3      | Workshop on "Preparing MENAFATF Members to the Second Round of the Mutual Evaluation  | Middle East and North Africa Financial Action Task Force (MENAFATF) in cooperation with Arab Monetary Fund | Abu Dhabi - UAE       |
| 23-24/3      | The International Meeting for the Users of the Electronic Reporting System (goAML)  | United Nations Office for Drugs and Crime (UNODC)  | Vienna - Austria      |
| 7-8/4        | The 4 <sup>th</sup> Meeting of the Counter ISIL Finance Group (CIFG)  | The Italian Ministry of Economic and Finance   | Rome - Italy          |
| 26-30/4      | 23 <sup>rd</sup> Plenary Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF)   | The Middle East and North Africa Financial Action Task Force (MENAFATF)                                    | Doha - Qatar          |
| 25-29/9      | Workshop on "Preparing MENAFATF Members to the Second Round of the Mutual Evaluation  | The International Monetary Fund (IMF)  | Kuwait                |
| 24/10        | The 6 <sup>th</sup> Meeting of the Counter ISIL Finance Group (CIFG)  | Kuwaiti Ministry of Foreign Affairs  | Kuwait                |
| 30-31/10     | A Joint Workshop Titled "Securing the Financial Intelligence Units"   | Egmont Group and Middle East and North Africa Financial Action Task Force (MENAFATF)                       | Doha - Qatar          |
| 12-17/11     | 24 <sup>th</sup> Plenary Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF)   | The Middle East and North Africa Financial Action Task Force (MENAFATF)                                    | Doha - Qatar          |
| 28/11 – 1/12 | The MENAFATF/APG joint Typologies and Capacity Building Workshop between the Middle East and North Africa Financial Action Task Force (MENAFATF) and the Asia/Pacific Group on Money Laundering (APG) | The Middle East and North Africa Financial Action Task Force (MENAFATF)                                    | Jeddah - Saudi Arabia |
| 13-14/12     | The First Annual Forum of the AML/CTF Compliance Officers of the Palestinian Banking Sector   | Palestinian Financial Follow-up Unit   | Dead sea- Jordan      |
| 15-16/12     | National Financial Information Units Forum  | European Union   | Brussels - Belgium    |



## Cooperation on the National and International Levels

The Unit is keen to carry out its tasks effectively and fully. It also strives constantly to enhance the cooperation and collaboration with the national authorities represented in the National Anti Money Laundering and Counter Terrorist Financing Committee and to expand its direct sources of information to obtain the information available in the databases of the competent national authorities. Based on the importance of the international cooperation in the fight against ML/TF crimes, the Unit frames this cooperation with the counterpart units of other countries through signing Memoranda of Understanding to organize and facilitate the exchanging of information between them. In this context, Memoranda of Understanding have been signed as follows:-

### National Memoranda of Understanding

#### Signing a Memorandum of Understanding with the Lands and Survey Department

The Anti Money Laundering and Counter Terrorist Financing Unit signed a Memorandum of Understanding with the Lands and Survey Department on July 26<sup>th</sup>, 2016 for the purposes of achieving cooperation and coordination between the two parties for the exchange of information pertaining to the ownership of real estates of natural and legal persons for Jordanian and non-Jordanian and other relevant information electronically by allowing the Unit to view the databases of the Lands and Survey Department to enable the Unit to carry out its tasks in examining and analyzing the notifications on transactions suspected to be related to ML and TF.

### Bilateral Memoranda of Understanding with Counterpart Units

The Unit signs Memoranda of Understanding with counterpart units in accordance with the Egmont Group Principles on the Exchange of Information between the Financial Intelligence Units (FIUs) and in line with the national legislation that governs and permits the exchange of information with counterpart units and how to use the information exchanged with respect to the exchange of information requests of suspected to



be related to ML or TF, the type of information and data accompanying the request, the use of information exchanged and the confidentiality of information for the purpose of facilitating and organizing the exchange of information between the respective FIUs for the purpose of tracking the proceeds of crime of ML and TF, and to prosecute and adjudicate the perpetrators of such crimes.

#### Signing a Memorandum of Understanding with the Counterpart Unit of Australia

On November 24<sup>th</sup>, 2016, His Majesty King Abdullah II Bin Al Hussein and The Australian Prime Minister witnessed the signature of the Memorandum of Understanding (MOU) between the Anti Money Laundering and Counter Terrorist Financing Unit and the Australian Counterpart Unit (AUSTRAC) in the exchange of financial

intelligence related to serious financial crimes including money laundering and terrorism financing, during the Royal visit of His Majesty to Australia. Deputy Prime Minister and Minister of Foreign Affairs and Expatriate Affairs, His Excellency Mr. Nasser Judeh and Minister for Justice and the Minister Assisting the Prime Minister for Counter-Terrorism, His Excellency Mr. Michel Keenan countersigned the MOU.

Signing the MOU will allow for the reinforcement of the bilateral cooperation between the two countries and to facilitate the exchange of financial intelligence with regard to the notifications suspected to be related to ML or TF which ultimately focuses on the international efforts of the two countries in the fight against ML and TF crimes and the perpetrators of such crimes.

It is worth noting that the total of MOUs signed by since its establishment in 2007 till now (22) MOU concluded with Arab and foreign counterpart units.

# Chapter Three: Notifications of Transactions Suspected to be Related to Money Laundering and Terrorist Financing



**SARs Received by the Unit from the Entities Obligated to Report for 2016**

| Entity                                    | Number of SARs |
|---|----------------|
| Banks                                     | 448            |
| Money Exchange Companies                  | 90             |
| Payment and Collection Services Companies | 10             |
| Insurance Companies                       | 1              |
| Jewelries Companies                       | 1              |
| <b>Total</b>                              | <b>550</b>     |

**Numbers of SARs Received by the Unit According to the Number of Suspects for 2016**

| Entity                                    | Number of Suspects |
|---|--------------------|
| Banks                                     | 524                |
| Money Exchange Companies                  | 102                |
| Payment and Collection Services Companies | 0*                 |
| Insurance Companies                       | 1                  |
| Jewelries Companies                       | 1                  |
| <b>Total</b>                              | <b>628</b>         |

\*Suspicion on phone numbers and credit cards numbers

**Numbers of SARs Received by the Unit According to the Type of Suspects for 2016**

| Entity                                    | Natural Person | Legal Person |
|---|----------------|--------------|
| Banks                                     | 468            | 56           |
| Money Exchange Companies                  | 97             | 5            |
| Payment and Collection Services Companies | 0              | 0            |
| Insurance Companies                       | 1              | 0            |
| Jewelries Companies                       | 1              | 0            |
| <b>Total</b>                              | <b>567</b>     | <b>61</b>    |

**Number of Notifications Received by the Unit from Regulatory and Supervisory Authorities and Other Competent Authorities for 2016**

| Entity                                   | Number of SARs |
|--|----------------|
| Judicial Authorities                     | 2              |
| Integrity and Anti-Corruption Commission | 2              |
| Ministry of Industry, Trade and Supply   | 1              |
| Central Bank of Jordan                   | 5              |
| Ministry of Social Development           | 1              |
| Public Security Directorate              | 11             |
| Customs Department                       | 30             |
| <b>Total</b>                             | <b>52</b>      |

### Number of Notifications Received by the Unit According to the Number of Suspects for 2016

| Entity                                   | Number of Suspects |
|--|--------------------|
| Judicial Authorities                     | 6                  |
| Integrity and Anti-Corruption Commission | 7                  |
| Ministry of Industry, Trade and Supply   | 1                  |
| Central Bank of Jordan                   | 5                  |
| Ministry of Social Development           | 1                  |
| Public Security Directorate              | 15                 |
| Customs Department                       | 31                 |
| <b>Total</b>                             | <b>66</b>          |

### Number of Notifications Received by the Unit According to the Type of Suspects for 2016

| Entity                                   | Natural Person | Legal Person |
|--|----------------|--------------|
| Judicial Authorities                     | 6              | 0            |
| Integrity and Anti-Corruption Commission | 6              | 1            |
| Ministry of Industry, Trade and Supply   | 0              | 1            |
| Central Bank of Jordan                   | 3              | 2            |
| Ministry of Social Development           | 0              | 1            |
| Public Security Directorate              | 15             | 0            |
| Customs Department                       | 27             | 4            |
| <b>Total</b>                             | <b>57</b>      | <b>9</b>     |

### Number of SARs and Notifications Received by the Unit According to the Type of Transaction for 2016

| Type of Transaction                         | Number of SARs and Notifications |
|---|----------------------------------|
| Foreign Wire transfers                      | 218                              |
| Domestic Wire transfers                     | 21                               |
| Foreign and Domestic Wire transfers         | 29                               |
| Cash Deposits/Withdrawals                   | 172                              |
| Deposit /Purchasing Checks                  | 60                               |
| Credit Facilities                           | 6                                |
| Negative Information                        | 37                               |
| Dealings Related to Investment              | 5                                |
| Customer Behavior                           | 6                                |
| Export Operations                           | 2                                |
| Cross-border Moveable Money non-Declaration | 28                               |
| Insurance Policy                            | 1                                |
| Purchasing Precious Metals                  | 1                                |
| Electronic Payment Operations               | 11                               |
| Embezzlement                                | 2                                |
| Fraud                                       | 2                                |
| Forgery                                     | 1                                |
| <b>Total</b>                                | <b>602</b>                       |



### SARs and Notifications Received by the Unit According to the Type of Transaction for 2016

| Entity   | Number of SARs and Notifications |
|--|----------------------------------|
| General Prosecutor/ Money Laundering                             | 42                               |
| General Prosecutor of State Security Court/ Terrorist Financing  | 1                                |
| Security Agencies  | 106                              |
| Regulatory and Supervisory Authorities/ Violation of Legislation | 26                               |
| General Prosecutor/ Cross-border Moveable Money non-Declaration  | 28                               |
| <b>Total</b>   | <b>203</b>                       |

### National Cooperation Requests Received by the Unit for 2016

| Entity  | Number of Requests |
|---|--------------------|
| Public Security Directorate                     | 6                  |
| Central Bank of Jordan                          | 23                 |
| Integrity and Anti Corruption Commission        | 2                  |
| Income and Sales Tax Department                 | 1                  |
| Ministry of Political and Parliamentary Affairs | 1                  |
| Ministry of Interior                            | 1                  |
| <b>Total</b>                                    | <b>34</b>          |

### National Cooperation Requests Received by the Unit According to the Number of Suspects for 2016

| Entity  | Number of Suspects |
|---|--------------------|
| Public Security Directorate                     | 49                 |
| Central Bank of Jordan                          | 96                 |
| Integrity and Anti Corruption Commission        | 9                  |
| Income and Sales Tax Department                 | 2                  |
| Ministry of Political and Parliamentary Affairs | 1                  |
| Ministry of Interior                            | 1                  |
| <b>Total</b>                                    | <b>158</b>         |

### National Cooperation Requests Received by the Unit According to the Type of Suspects for 2016

| Entity  | Natural Person | Legal Person |
|---|----------------|--------------|
| Public Security Directorate                     | 19             | 30           |
| Central Bank of Jordan                          | 84             | 12           |
| Integrity and Anti Corruption Commission        | 8              | 1            |
| Income and Sales Tax Department                 | 1              | 1            |
| Ministry of Political and Parliamentary Affairs | 0              | 1            |
| Ministry of Interior                            | 1              | 0            |
| <b>Total</b>                                    | <b>113</b>     | <b>45</b>    |

**Requests of Information Exchange Issued by the Unit to Counterpart Units (Egmont Group Members and Non- members) for 2016 According to the Country**

| <b>Country</b>           | <b>Number of Requests</b> |
|--------------------------|---------------------------|
| Kingdom of Saudi Arabia  | 2                         |
| Turkey                   | 1                         |
| Iraq                     | 1                         |
| Kuwait                   | 1                         |
| United Arab of Emirates  | 4                         |
| Qatar                    | 1                         |
| United States of America | 3                         |
| Hong Kong                | 1                         |
| Malaysia                 | 1                         |
| South Africa             | 1                         |
| <b>Total</b>             | <b>16</b>                 |

**Requests of Information Issued by the Unit to Counterpart Units (Egmont Group Members and Non-members) for 2016 According to the Number of Suspects**

| <b>Country</b>           | <b>Number of Suspects</b> |
|--------------------------|---------------------------|
| Kingdom of Saudi Arabia  | 3                         |
| Turkey                   | 1                         |
| Iraq                     | 1                         |
| Kuwait                   | 4                         |
| United Arab of Emirates  | 4                         |
| Qatar                    | 4                         |
| United States of America | 5                         |
| Hong Kong                | 1                         |
| Malaysia                 | 3                         |
| South Africa             | 4                         |
| <b>Total</b>             | <b>30</b>                 |

**Requests of Information Received by the Unit from Counterpart Units (Egmont Group Members and Non- members) for 2016 According to the Country**

| <b>Country</b>           | <b>Number of Requests</b> |
|--------------------------|---------------------------|
| United States of America | 11                        |
| Netherland               | 2                         |
| Norway                   | 1                         |
| Samoa                    | 1                         |
| United Arab of Emirates  | 4                         |
| Bahrain                  | 4                         |
| Iraq                     | 7                         |
| Russia                   | 2                         |
| Kazakhstan               | 1                         |
| Belgium                  | 2                         |
| Bangladesh               | 3                         |
| Bulgaria                 | 1                         |
| New Zealand              | 1                         |
| Hungary                  | 1                         |
| Ukraine                  | 3                         |
| Finland                  | 1                         |
| Guatemala                | 1                         |
| Philippines              | 1                         |
| Turkey                   | 1                         |
| Nepal                    | 1                         |
| Italy                    | 1                         |
| Schell                   | 1                         |
| Niger                    | 1                         |
| Belorussia               | 1                         |
| United Kingdom           | 2                         |
| Cyprus                   | 1                         |
| Austria                  | 1                         |
| Palestine                | 1                         |
| Syria                    | 2                         |
| Saudi Arabia             | 1                         |
| Kirgizstan               | 1                         |
| Indonesia                | 1                         |
| Costa Rica               | 1                         |
| Jersey                   | 1                         |
| <b>Total</b>             | <b>65</b>                 |

**Requests of Information Exchange Received by the Unit from Counterpart Units (Egmont Group Members and Non- members) for 2016 According to the Number of Suspects**

| <b>Country</b>           | <b>Number of Suspects</b> |
|--------------------------|---------------------------|
| United States of America | 215                       |
| Netherland               | 4                         |
| Norway                   | 9                         |
| Samoa                    | 2                         |
| United Arab of Emirates  | 38                        |
| Bahrain                  | 7                         |
| Iraq                     | 10                        |
| Russia                   | 13                        |
| Kazakhstan               | 2                         |
| Belgium                  | 4                         |
| Bangladesh               | 24                        |
| Bulgaria                 | 4                         |
| New Zealand              | 1                         |
| Hungary                  | 2                         |
| Ukraine                  | 4                         |
| Finland                  | 2                         |
| Guatemala                | 33                        |
| Philippines              | 2                         |
| Turkey                   | 2                         |
| Nepal                    | 5                         |
| Italy                    | 1                         |
| Schell                   | 1                         |
| Niger                    | 1                         |
| Belorussia               | 3                         |
| United Kingdom           | 3                         |
| Cyprus                   | 2                         |
| Austria                  | 3                         |
| Palestine                | 2                         |
| Syria                    | 2                         |
| Saudi Arabia             | 1                         |
| Kirgizstan               | 1                         |
| Indonesia                | 2                         |
| Costa Rica               | 2                         |
| Jersey                   | 2                         |
| <b>Total</b>             | <b>409</b>                |

## Justifications for Continued Increase in the Volume of the SARs and Notifications for 2016

The Year of 2016 witnessed a continued remarkable increase from 2015 in the volume of the SARs and notifications received by the Unit from various reporting entities subject to the provisions of the Law, regulatory and supervisory authorities and other administrative and security authorities. In comparison with the year of 2014 and 2015, the increase percentage reached (73,5%) and (88,5%) respectively, which can be justified by the continuing same reasons of the year of 2015, as follows:-

- 1- The continuation of the surrounding conditions to Jordan and threats by the terrorist organizations.
- 2- Updating the control systems and electronic monitoring of the financial transactions and obtaining new systems by the entities subject to the provisions of the AML/CTF Law to ensure compliance with the legislations in force in the Kingdom including those related to combating money laundering or terrorist financing transactions, which added to the speed and efficiency of detecting transactions suspected to be related to ML or TF.
- 3- Deepening the understanding and comprehension of the instructions issued by the Unit during the last quarter of 2015 to the entities subject to the Anti money Laundering and Counter Terrorist Financing Law to address all weaknesses emerged through an in-depth examination of the previously submitted notifications received by the Unit related to the forms and means of reporting on transactions suspected to be related to ML or TF and the frequent meetings of the Unit with

the banking sector, which enhanced and improved the reporting mechanism on such transactions and the nature of information provided to the Unit.

- 4- The continuation of activating the on-site and off-site supervision by the regulatory and supervisory authorities on entities subject to the requirements of AML/CTF; thus, increasing sanctions imposed with regard to non-compliance with the AML/CTF Law and instructions issued by virtue thereof.
- 5- The continuation of the consequences of the fraud scheme known as "Taa'zeem" that was witnessed by Jordan in 2015.
- 6- Increasing the compliance measures applied by some of the international wire transfer companies in monitoring the wire transfer transactions in countries or high-risk countries.
- 7- The use of persons of their personal accounts for commercial purposes.
- 8- Granting the Unit the power of receiving the referrals from the Customs Department related to cross-border moveable money in case of non-declaration or false declaration or the suspicious of transaction related to ML or TF.

The observed increase in the volume of SARs and notifications received by the Unit was reflected on the referrals by the Unit to the Public Prosecution or the Judicial Military or to the security agencies and other regulatory and supervisory authorities which also witnessed a remarkable increase of (84,5%) in comparison with the year of 2015.

## Cross-border Moveable Money Declarations Statistics

### Cross-border Moveable Money Declarations for 2016

| Total of Declarations in Jordanian Dinar | Number of Declarations | Custom Center                    |
|--|------------------------|----------------------------------|
| 959,931                                  | 27                     | Al Omari Custom Center           |
| 598,669                                  | 21                     | Al Mudawara Custom Center        |
| 216,701,112                              | 522                    | Passengers Airport Custom Center |
| 247,809,718                              | 502                    | King Hussein Bridge Custom       |
| 397,040                                  | 4                      | Jordan Valley Crossing Custom    |
| <b>466,466,470</b>                       | <b>1076</b>            | <b>Total</b>                     |

### Referrals for 2016

| Year                | Number of Declarations | Total of Declared Amounts/ Dinar | Cases Referred to the Customs General Prosecutor |                                      |                                 |
|---------------------|------------------------|----------------------------------|--|--------------------------------------|---------------------------------|
|                     |                        |                                  | Total of Imposed Fines/ Dinar                    | Value of Non-declared Amounts/ Dinar | Number of Non-Declaration Cases |
| (466,466,470) Dinar | (1,076) Declaration    | 2016                             | (63027) Dinar                                    | (4,874,410) Dinar                    | (26)                            |

## Practical Cases Related to Money Laundering and Terrorist Financing



### The First Practical Case

The Unit received a notification from one of the supervisory authorities on entities subject to its supervision that there are financial suspicions against society (X), as revealed by the auditing of its financial accounts and oral information intelligence received by the Unit that the president of the mentioned society Mr. (Y), is existed at the State Security Court.

The notifying supervisory authority attached with its notification the audit report of the Committee formed by the mentioned supervisory authority with regard to society (X) which states the following:-

- The mentioned society was founded for charitable and social purposes.
- The mentioned society is chaired by Mr. (Y), the Secretary General, Mr. (C) and the Treasurer, Mr. (D) and directed by Mr. (E).
- There are a number of violations committed by the society including not keeping the records in an orderly manner and the failure of the president or the secretary general or the treasurer to do their work in accordance with the provisions of the society's Articles of Association.

- There is a deficit in the revenues of the society, which raises the questions of how the society continued to perform its functions despite the existence of the deficit.
- The audit committee recommended that a warning be given to the mentioned society for committing several violations pointed out in the Committee's report and appointing a temporary administrative commission for the society for its violation of the regulation that determines the provisions of the Articles of Association of societies.

### The Results of the Intelligence and Financial Analysis Procedures of the Unit:

After completing the Unit's procedures of intelligence and financial analysis of the charity's accounts, all the relevant persons, requesting the security information and referring to the available databases, the following were observed:-

- The mentioned society (X) and the President, Mr. (Y) maintained only effective accounts in Bank (A) and through the analysis of such accounts, the following were observed:-
  - The personal account movement of Mr. (Y)/ the president of the society, represented by cash deposits and withdrawals from the same person.
  - The movement of the account of society (X) was concentrated on the creditor side of cash deposits made by Mr. (E) who acts as the director of the mentioned society. The financial analysis of the account of the society at bank (A) during the period from 1/1/2013 till 20/3/2016 revealed the presence of (280) cash deposit operations in the account of the society with a total value



of (140,443) Jordanian Dinar conducted by Mr. (E).

- The debit side focused on checks drawn in cash at the expense of the mentioned society (X), whereby the beneficiary of which was Mr. (E)/ the director of the charity, where it was found that (86) checks drawn in cash during the same period mentioned above at the expense of the mentioned society with a total value of (213,102) Jordanian Dinar, the beneficiary of such was Mr. (E).
- A letter from the security agencies was received stating that Mr. (Y)/ the President of society (X) was sentenced for four years and fined for terrorism crimes by the State Security Court and that Mr. (E)/ the director of the society was also sentenced with hard labor at the State Security Court of the charge of recruitment and promotion of terrorist groups which indicates his involvement with Mr. (Y) in terrorism crimes and indicates that the two may exploit the charitable work of the society as a front for criminal acts that may be related to promoting or joining terrorist groups.
- In view of the concentration of financial transactions in the account of the President of the society (Y) as well as the accounts of Charity (X) with deposits and cash withdrawals and the inability to verify the real sources of funds or the final destination of their uses, the results of the intelligence and financial analysis were referred to the competent security agencies to take their actions in this regard including the possibility of benefiting from them through

the investigations. The concerned supervisory authority has also been notified to take actions against the society itself, either by dissolving it or changing its administrative structure.

- A letter was received by the Unit from the notifying supervisory authority informing that the society is being dissolved.

### **The Second Practical Case**

The Unit received (10) notifications from (3) banks concerning a group of persons: Mrs. (a), Mr. (b), Mr. (c), Mr. (d), Mr. (e) and Mr. (f) and his institution (g), Mr. (h) and Mrs. (i) for the reason of the receipt of foreign wire transfers from country (M) from company (v) to the accounts of those mentioned which does not correspond to the nature of their activities mentioned in their files at the relevant banks.

### **The Results of the Intelligence and Financial Analysis Procedures of the Unit:**

After completion of the Unit's intelligence and financial analysis procedures of the accounts of all persons for whom notifications have been received, requesting the security information and referring to the available databases, the following were observed:-

- Company (v) is owned by Mr. (x), a foreign person
- The total wire transfers received to the Kingdom during the year 2015 and 2016 from company(v) in country (M) and the companies and associated persons were (68) wire transfers with a total value equivalent to (12417868) Jordanian Dinar, (13) wire transfer

of which were totaled of value equivalent to (5253055) Jordanian Dinar received by Mr. (d) and his wife, Mrs. (a).

- The lack of clarity of the purpose and the real reason of such wire transfers as the purpose declared in the wire transfers is the purchase of lands and real estates, but what was actually purchased of lands and real estates of Mr. (x) was only some of apartments and lands worth of (510000) Jordanian Dinar.
- The Unit received an intelligence information that the amounts of wire transfers received by Mr. (d) and the persons associated with him were given to Mr. (h) who is a car dealer and his trade does not match receiving of amounts of this size; thus, the two persons were linked.
- Mr. (d) is a public employee who has friendly relations with Mr. (y) who is the father of Mr. (x). In addition, Mr. (d) is the agent under a general authorization over all properties and accounts of Mr. (x) in the Kingdom.
- When buying the lands for Mr. (x), Mr. (d), the buyer's agent purchased the lands from the father of his wife, Mrs. (a).
- When Mr. (x) sold his two lands, the selling was to bank (s) to grant financing to the sister of Mrs. (a), the wife of Mr. (d) and when paying the monthly installments of the granted financing, it turned out that Mr. (x) is paying the installments under wire transfers received from company (v) in country (M).
- Through addressing the counterpart unit in country (O) to inquire information on Mr. (x) and company (v), the counterpart unit responded that there are existed criminal records and judicial information against both

Mr. (x) and company (v). Mr. (y) who is convicted of a felony that may be he is the real owner of the money and Mr. (R), his son, as a front to manage his money. Noting that all companies related to Mr. (x) had one address which is the same address of residence of Mr. (x) according to what he has reported at banks there, which indicates that they are shell companies and do not exist on the ground.

- The data of the electronic websites indicated that Mr. (y) has previously convicted of a felony in country (M) for committing a crime in which he obtained more than (50) million dollars and was sentenced to imprisonment for a period of three years. After leaving prison, he transferred all his properties to Mr. (R), his son.
- Based on the above-mentioned, whereby Mr. (d), an employee who works at a governmental institution, and his wife received foreign wire transfers from persons and companies in country (O) with a very large amounts that are in consistent with the nature of his work. Moreover, it revealed that those persons and companies are associated with company (v) which has a relationship with the convicted of a felony Mr. (y) who has negative information published on the electronic websites and other information provided by the counterpart unit, which reinforces these information and increases the suspicion received by the notifications, and that he uses his son, Mr. (R), as a front to launder the money proceeded from the predicate offence found in country (O), whereby several accounts in that country and

several persons were used to transfer the proceeds of crime to Jordan through several beneficiaries (other persons to whom notifications were received) which, according to an intelligence information, were given to Mr. (h), indicating that there are complications in financial transactions in order to hide the real sources of such funds and suggesting a suspicion of money laundering.

Accordingly, the Unit referred the case to the competent General Prosecutor for suspicion of money laundering transactions, who made the provisional seizure on all the accounts of those mentioned and the case is still under consideration.

### **The Third Practical Case**

The Unit received (12) notifications from (2) banks concerning (17) Jordanian persons, the most prominent of whom were called Mr. (S) and Mr. (A). The reason is that the two mentioned persons conducted repeated cash deposits, which constitute a large amount of cash, without any official documents or legal instruments that proving the sources of deposits in the accounts. Some of which has provided the bank with a registration certificate for individual car dealership institutions and unofficial contracts and proxies that do not indicate the presence of a real commercial transactions leading to such recurrent deposits and with no corresponding with the debtor side of the accounts. Whereby checks are issued often for purpose which is not compatible with the cars trading, and the volume of the amounts deposited are not commensurated with

the volume of withdrawals from the accounts, in addition to the aforementioned disclosures to buy cars from several persons in return of future payable checks of value higher than the market value of the car in return of the collection of the checks' values at their future date.

### **The Results of the Intelligence and Financial Analysis Procedures of the Unit:**

After completion of the Unit's intelligence and financial analysis procedures of the suspects' accounts at all the operating banks in the Kingdom, requesting the administrative, and security information and referring to the available databases to the Unit, the following were observed:-

- The sudden and rapid change in the nature of activity of those mentioned Mr. (S) and Mr. (A), so that the nature of financial transactions conducted in their accounts is inconsistent with the nature of their activities known and declared to the bank, in addition to the professions that were exercised by Mr. (S) and Mr. (A) and their declared income outlined in the Know Your Customer (KYC) of the bank and their inconsistency with being cars dealers.
- There is no information that there are commercial backgrounds of persons suspected of trading in cars, as it is clear that the cars exhibitions have been established recently and that the activity of car trade has been practiced by them recently.
- Unjustified inflation of the cash deposits received by those mentioned accounts without having a clear economic justification in a manner that does not reflect the existence of commercial transactions represented by the purchasing and selling of cars.

- Intelligence information received against the main suspects of purchasing the vehicles from citizens by using the future sale system through purchasing such vehicles higher than (40%) of the price of any vehicle's type or model and be paid under future banking checks for a period from (4-6) months and then selling these vehicles to citizens from the same location at a great loss, which is not economically feasible. Going beyond the subject of car trade to buying real estates, lands and tourism interests of enormous prices beyond the realistic prices to lure their owners to sell for future checks.
- The large inflation in the transactions of Mr. (A) at one of the banks, which were during the year of 2012 and 2013 around (1,5) million dollars to become in 2014 around (29) million dollars as well as the inflation of transactions of Mr. (S) who has a monthly income of a total (300) JD, then suddenly turned to a car dealer during a period of (3) months and his total deposits reached approximately (2,6) million dinars as well as his brother, Mr. (B) who his deposits reached the total amount of (600,000) Dinar without the existence of a clear justification for the inflation volume of financial transactions.
- The use of other persons (third parties) to conduct money collection operations from citizens in cash or checks (under the name of car trade) and payments of commitments by future checks similar to the pattern of the international stocks markets case which was based on the collection of funds from citizens in return for achieving fictitious profits.
- Those two mentioned conducted several cash deposits with relatively large amounts and through several different branches of banks and geographically dispersed through several depositors reported that they represent the sale and purchase of cars without the existence of any official documents and legal instruments proving that.
- The two mentioned made proxies some has a special power of attorney and some has a power of attorney for selling cars in return for agreements of selling signed with the buyers. The two mentioned did not provide the banks with any official documents or legal instruments from the Traffic Department proving the selling and purchasing of cars operations (transfer of ownership).
- The existence of returned checks from the accounts of the two mentioned at that time of relatively large amounts without the existence of complaints registered officially in this regard, which indicates the inability to pay them or unwilling to pay them at present and settling with citizens before they file complaints against them.
- The above- mentioned actions indicate that the suspects invest the money of others through the selling and purchasing of cars, real estates and lands in return for future checks in a way that is not economically feasible and suggests a suspected fraud similar to form and content of the international stock markets case which affected before years the Jordanian Economy with the difference between the nature of the two trades.

- Accordingly, the Unit referred those two mentioned in the notifications to the competent General Prosecutor in the suspicion of the initiation of fraud and money laundering. The Unit found that the acts carried out by the suspects in the notifications of opening the banking accounts to be used as intermediaries to deposit the funds in cash or under checks and transferring them from one account to another for the purposes of concealing and disguising its source to be ultimately converted either to the account of Mr. (S) or the account of Mr. (A) that are considered a crime of money laundering.

The competent General Prosecutor has made the provisional seizure of all the accounts of those mentioned, and the case has been recently referred to the competent court.

# **Chapter Four: The Unit Financial Statements and the Report of the Independent Auditor**



# Chapter Five: Legislation





## Legislation of Anti Money Laundering and Counter Terrorist Financing

|  |   |
|--|---|
| <b>Law</b>   | Law No.(46) For the year 2007 Anti Money Laundering and Counter Terrorist Financing Law and amendments thereto  |
| <b>Regulations</b>   | Regulation No. (44) for the year 2008 Regulation of the National Anti Money Laundering and Counter Terrorist Financing Committee and Amendments thereto   |
|  | Regulation No. (40) for the year 2009 Regulation of the Anti Money Laundering and Counter Terrorist Financing Unit and Amendments thereto   |
| <b>Instructions and Guidelines</b>   | Anti Money Laundering and Counter Terrorist Financing Instructions No. 51/2010 of Banks and the Guidelines thereto  |
|  | Anti Money Laundering and Counter Terrorist Financing Regulation related to Money Exchange Companies No. (2/2010) and Guidelines thereto  |
|  | Instructions on Anti Money Laundering and Counter Terrorist Financing in Securities Activities and Guidelines thereto   |
|  | Anti Money Laundering and Counter Terrorist Financing Instructions of Insurance Activities No. 2 for the year 2016 and Guidelines thereto   |
|  | Anti Money Laundering and Counter Terrorist Financing Instructions Pertaining to Goldsmithing and Sale of Jewelry, Precious Metals and Gems 'Shops for the year 2014 and Amendments thereto and Guidelines related thereto                          |
|  | Anti Money Laundering and Counter Terrorist Financing Instructions Pertaining to Licensed Real Estates and its Developments for the year 2010 and Guidelines related thereto  |
|  | Anti Money Laundering and Counter Terrorist Financing Instructions Pertaining to Companies which exercise the Activity of Financial Leasing for the year 2011 and Guidelines related thereto  |
|  | Instructions No. (3) for the year 2011 Anti Money Laundering and Counter Terrorist Financing Instructions for Entities Exercising any of the Financial Activities and Guidelines related thereto  |
|  | Instructions No. (1) for the year 2012 the Anti Money Laundering and Counter Terrorist Financing Instructions of Entities Providing Postal Services and Guidelines related thereto  |
| <b>Instructions for Implementing the Relevant Security Council Resolutions</b> | Instructions No. (1) for the Year 2014 Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1267 (1999) and No. 1989 (2011) and Other Relevant Resolutions and Amendments thereto and Guidance Related thereto |
|  | Instructions No. (2) for the Year 2014 Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1988 (2011) and Other Relevant Resolutions and Amendments thereto and Guidance Related thereto                     |
|  | Instructions No. (2) for the Year 2010 Instructions for Implementing the Obligations Provided in Security Council Resolution No. 1373 (2001) and Other Relevant Resolutions and amendments thereto  |
| <b>Other Instructions</b>  | Controls and Basis Related to Reporting Transactions Suspected to be Related to Anti Money Laundering and Counter Terrorist Financing Instructions for the year 2011  |
|  | Instructions of Notifying the Entities Obligated to Report of Receiving the SAR by the Unit No. (1) for the year 2011   |
|  | Instructions on Forms and Mediums Relating to Notifications on the Transactions Suspected to be Related to Money Laundering or Terrorist Financing No. (1) for the year 2015  |
|  | Instructions of the Cross-border Moveable Money Declaration No. (4) for the year 2011   |
|  | Instructions No. (1) for the year 2012, the Means that Insure Providing the Regulatory Authorities and Other Competent Authorities with any Data or Information available within the Unit's Database  |
| <b>Internal Instructions</b>   | Internal Instructions No. (7) for the year 2011, the Database of Information on Transactions Suspected to be Related to Money Laundering or Terrorist Financing, Conditions and Guarantees of Maintaining Confidentiality thereto                   |
|  | Internal Instructions No. (1) for the year 2016, the Use of the Metal Cabinets and Cupboards of Notifications Instructions for 2016   |
|  | Internal Instructions No. (2) for the year 2016 Internal Organization for the Anti Money Laundering and Counter Terrorist Financing Unit Instructions for 2016  |

# Content

## Chapter One: National Committee

|   |   |
|---|---|
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