



Ref. No : 9/2/7/**14094**

Date : 30/12/2010

Regulation Anti Money Laundering and Counter Terrorism Financing Regulation related to Money Exchange Companies no. (2/2010) issued pursuant to the provisions of clause 4, paragraph (A) of article 14 of the applicable anti money laundering Act no. (46) for the year 2007.

**Article No. (1): Definitions:**

- a- The following words and phrases in these regulation shall have the meanings assigned thereto in the applicable Anti Money Laundering and Counter Terrorism Financing law and Money Exchange Businesses regulation, unless the context indicates otherwise.
- b- The following words and phrases have the meanings assigned thereto in this regulation, unless the context indicates otherwise.

**Exchange Relation:** The relationship established between the moneychanger and the customer related to the financial transactions and services rendered by the moneychanger to the customers thereof.

**True Beneficiary:** A natural person, who is the owner of genuine interest and for which a business relationship is established in his favor or on behalf thereof; or possesses an ultimate or effective control over a legal person; or shall have a right to carry out a legal act on behalf thereof.

**Transfer:** Any money transfer conducted by means of moneychanger, by any means in favor of any other party, irrespective that the person who requests issuance of the transfer being the beneficiary person to whom the transfer is executed.

**Unit:** The Anti Money Laundering and Counter Terrorism Financing Unit established pursuant to the provisions of the applicable Anti Money Laundering and Counter Terrorism Financing law.

**Article No. (2):** Provisions of this regulation shall apply to moneychangers and branches thereof licensed by The Central Bank of Jordan.

**Article No. (3): Due Diligence Requirements**

### **First: General Rules:**

- a- Customer Due diligence shall be defined as the identification and verification of the customer, the legal status and activities thereof, the purpose of the customer relation and nature thereof, the true beneficiary of the ongoing relation, if any, and continuous follow up of the transaction conducted within the frame of an ongoing relation. Moreover, it shall include recording all data related thereto and keeping the same in accordance with the provision of this regulation.
- b- Moneychanger shall not be permitted to enter into exchange relations with any anonymous persons or with false or fictitious names or shell banks and companies.
- c- Moneychanger shall undertake customer due diligence in the following circumstances:
  - 1- If the value of the transaction or (several transactions that appear to be linked) above JD (10,000) or its equivalent amount in other currencies.
  - 2- If the moneychanger suspects the transaction be money laundering or terrorist financing, regardless of its value.
- d- If the moneychanger is unable to complete customer due diligence measurements, it should not engage in any exchange relationship with the customer or perform any transactions to his/her account, and shall notify the unit of any suspicious transaction related to money laundering or terrorism financing according to the approved procedures for such purpose.
- e- The moneychanger should continuously update the customer identification data and documents obtained under customer due diligence procedures, particularly customers' categories and high-risk business relationships, every two years at most, or when there are emerging reasons to advocate that, for example, the moneychanger has doubts about the validity and suitability of the information which has been obtained before.

### **Second: Procedures to identify and verify customer identity**

- a- The moneychanger should view the official documents to identify the customer and to have a copy of that documentation signed by its relevant employee to certify that they are original copies.
- b- The following should be considered in normal person identification procedures:
  - 1- The data of identification should include the full name of the customer, nationality, permanent residence address, work address, activity type, purpose of conducting business relationship and nature thereof, national no., date and place of birth, phone number, passport no. for non – Jordanians and annual residence permits issued by the Ministry of Interior or work permits or any other information the moneychanger considers necessary.
  - 2- Regarding persons who lack qualifications like minors, the moneychanger should have the documents related to the person who represent them legally to act on those accounts, pursuant to the provisions of paragraph (a) of this clause.

- 3- When the Moneychanger deals with a person proxy of the customer, it should make sure that he/she produces a special power of attorney, and it is essential to keep the original document or a certified copy of it. In addition, it is important to identify the proxy identification according to the customer identity, which is mentioned in paragraph (a) of this clause.
- c- The following should be considered in legal person identification procedures. :
    - 1- The data of identification should include the full name of the legal person, legal form, owners' names, equity, authorized signatories, location address, type of activity, capital, date and number of registration, tax number, entity national number, names and nationalities of persons who are authorized to deal on the account, phone numbers, purpose of conducting business relationship, and any other information the Moneychanger considers necessary, including true beneficiary.
    - 2- Verify the existence of the legal person and its legal entity through the necessary documents and the registration thereof by the competent authorities.
    - 3- Obtaining the documents, which prove any normal person purported to act on behalf of the legal person, and the purpose and nature of the business relation, and identify and verify the identity of that person according to customer identification procedures, mentioned in this regulation.
    - 4- Obtaining of information regarding the provisions regulating the operation of the legal person.
    - 5- Providing reasonable procedures, to identify ownership structure and the controlling management of the legal person.
  - d- The Moneychanger shall carry out the required procedures to verify the authenticity of data and information obtained from customers by means of neutral and reliable sources, including referring to the database of Civil Status and Passport Department, the website of the Companies Control Department and certificates issued by the Ministry of Industry and Commerce and the Chambers of Commerce and Industry in addition to obtaining an official certificate issued by the relevant foreign authorities if the company is registered abroad.
  - e- Verify whether the customer is acting proxy of another person "the true beneficiary" and take reasonable steps to obtain adequate information tot verifying that person's identity to the satisfaction of the Moneychanger.

**Article No. (4):** Moneychanger should carefully identify the customer and its activity by performing the necessary analysis and studies to verify the financial resources in addition to any other measures needed to verify the nature of the transaction, in addition to the requirements of due diligence stated in article no. (3) of this regulation, in the following cases:

- a- Exchange transactions with persons in countries that do not have appropriate anti money laundering and counter terrorism financing systems.

- b- Exchange transactions politically exposed persons who are or have been entrusted with prominent public functions in a foreign country, for example president of a country, head of government, important politicians, judicial or military officials, senior government officials, important political party officials, senior management of public-owned entities as well as first degree family members or close associate. Due diligence procedures include the provision of an appropriate risk management system to verify PEP's financial resources and true beneficial. The Moneychanger shall obtain senior management approval for establishing business relationships with such customers.
- c- Major or unusually complex transactions or any transaction moneychanger deems as a high-risk transaction with respect to money laundering and counter terrorism financing operations.
- d- Exchange transactions with no apparent economic or legal purpose, or originated by states that do not apply recommendations of the Financial Action Task Force (FATF) or inadequately apply the same.
- e- Exchange transactions with non – resident customers or indirect dealing with costumers; especially be means of modern technology, such as the internet, or by means of electronic payment media. In such case, moneychanger should sufficiently apply necessary policies and procedures to avert risks associated to the misuse of indirect dealing.

**Article No. (5): Transfers**

- a- The provisions of this article shall apply to transfers in the sums exceeding J.D seven hundred or any equivalent amount in other currency, which is sent or received by the Moneychanger subject to this regulation.
- b- Moneychanger's obligations with connection to the transfer:
  - 1- The Money Exchanges should undertake customer due diligence procedures mentioned in Article (3) of this regulation which states that the Moneychanger must obtain complete originator information which include: originator name, nationality, permanent address of residence, purpose of the transfer, national number or the identification document number, nationality for Jordanians and passport number for non-Jordanians.
  - 2- The Moneychanger should be able to provide the beneficiary party and the relevant authorities with all required information within three business days of receiving a request.
  - 3- The Moneychanger should be able to respond immediately upon the request of relevant official authorities to inform the same of such information.
  - 4- Inability of the moneychanger to obtain the information referred to in clause (1) above, shall be a reliable indicator for moneychanger when assessing the existence of a suspicious transaction and notifying the Unit thereof.
  - 5-
    - a- The Moneychanger should adopt effective procedures to deal with transfers lacking complete originator information, based on the risk degree of such transfers; such procedures include, for example, the request of incomplete information from the originator bank or Moneychanger.

- b- In case of incomplete information, the Moneychanger should undertake the necessary procedures, based on risk degree, including the refusal of the transfer.
- 6- If the Moneychanger is engaged as intermediary of a transfer rather than being an originator or a beneficiary Moneychanger, then it must ensure that all information that accompanies a transfer is retained with the transfer.
- 7- Where technical limitations prevent the Moneychanger from retaining the information accompanying a transfer, it should maintain the information as it is received for five years regardless of the information's completeness, and the Moneychanger should be able to provide the available information to the beneficiary bank or Moneychanger within three business days of receiving the request.
- 8- If the intermediary Moneychanger received incomplete originator information, then it should inform the beneficiary party when conducting the transfer.
- 9- If the Moneychanger conducts transfers via banks on behalf of its costumers, it should provide the bank with the originator's due diligence documents and information.

**Article No. (6):** Moneychanger should carry out the following:

- a- Establish proper internal system which includes written guidance to detect and prevent suspicious transaction related to money laundering and terrorist financing
- b- Establish written procedures for customer due diligence requirements according to The Money Laundering and Counter Terrorism financing and articles. (3 & 4) of this regulation.
- c- Establish an automatic system to link transactions and give indicators of suspicious transactions related to money laundering and counter terrorism financing. The system has to be tested annually by an impartial party.
- d- Establish written procedures to meet the requirements of maintaining records and documents related to the costumer due diligence, and the supportive evidence of national and international financial transactions.
- e- Provide and independent and qualified cadre within the internal audit department equipped with sufficient resources to select the internal procedures, policies and controls for anti- money laundering and counter terrorism financing.
- f- acquaint employees with the following:
  - 1-Provisions of The Money Laundering and Counter Terrorism Financing and regulations issued pursuant thereto.
  - 2- The Guidelines of identifying suspicious patterns of anti money laundering and counter terrorism financing transactions.
  - 3- Reporting procedures of reporting suspicious transactions.

- g- Set sufficient systems and procedures that guarantee the performance of internal audit authorities of their duties represented in examining internal regulation and control systems to confirm their effectiveness in anti money laundering and counter terrorism financing transactions, and periodically review the same to complement any deficiency, or update and upgrade these to increase their efficiency and capacity.
- h- Audit and examine complicated transactions and transactions with no apparent economic or legal purpose. The Moneychanger shall record its conclusions in writing and make them available before the unit and the competent authorities for a period of not less than five years.
- i- Audit constantly the transactions conducted throughout the period of the relationship, to guarantee the consistency of transactions conducted with the information the moneychanger possess about the customers, their activities and the risks they represent.
- j- In case the moneychanger deals with foreign financial institutions, the following should be performed:
  - 1- Obtain the senior management's approval for establishing business relationships with such institutions.
  - 2- Ensure that adequate regulations and controls issued by regulatory authorities dealing with anti money laundering and counter terrorism financing are in place to govern the work of foreign financial institutions intended to be deal with, and whether any action had ever been taken against them.
  - 3- Ensure that the foreign financial institution intended to deal with has adequate regulations and controls pertaining anti money laundering and counter terrorism financing are in place.

#### **Article No. (7): Maintaining Records and Documents:**

Moneychanger shall carry out the following:

- a- Maintain records and documents of national and international financial transactions that contain adequate information to identify such transactions, maintain all records and documents related to customer due diligence requirements according to Articles (3) of this regulation for at least five years following completion of the transaction or exchange relationship termination, as the case may be.
- b- Maintain records and supporting evidences of exchange relationships and stipulated in Articles (3, 4, and 5) of this regulation including original documents or acceptable copies by courts according to the applicable regulations in Jordan and the regulation of the Unit for such purpose for at least five years following the termination of the exchange relationship.
- c- Develop integrated information system for maintaining records and documents mentioned in (A and B) above, where it can fully and quickly respond to the Unit and relevant authority's request of any reports and/or documents or data or information and facilitate review thereof.

**Article No. (8): Reporting of suspicious transactions related to anti money laundering and counter-terrorism financing:**

- a- Moneychanger must carry out the following:
  - 1- Designate an employee to assume the responsibility of reporting suspicious transactions related to anti money laundering and counter terrorism financing to the Unit as well as designating his substitute thereto, in case of absence. The "Unit" and the Central Bank shall be informed in case the MLRO or his substitute has been changed, provided that the new MLRO, or his substitute, possess suitable qualifications.
  - 2- Prepare files for the suspicious transactions related to anti money laundering and counter terrorism financing in which copies of notifications about these transactions and data and documents related thereto are maintained for a period of no less than five years following the notification or until a final resolution is issued, whichever is longer.
  - 3- Perform no influence over the independence of MLRO in any manner while performing his duties.
- b- If the MLRO learns of any transaction related to or could be related to anti money laundering and counter terrorism financing, whether it took place or not, he should immediately notify the Unit according to the approved form and means. He should cooperate with the Unit and provide it with the required data, records, and documents to perform its job in timely manner.

**Article No. (9):**

- a- It shall be impermissible to, directly or indirectly and by any means, disclose any reports sent to the Unit regarding any measures to be taken with relation to any suspicious transactions related to anti money laundering and counter terrorism financing or any information related thereto.
- b- Any person who is, by virtue of his position, be acquainted, whether directly or indirectly, of any information submitted or exchanged under the applicable anti money laundering and counter terrorism financing law and the regulations, instructions, and decisions issued pursuant thereto including this regulation, shall be prohibited to disclose or divulge this information directly or indirectly, unless for the purpose of executing this regulation.

**Article No. (10):** The Moneychanger shall embed in the contract entered into with chartered accountant some items that obligates the chartered accountant to apply this regulation, evaluate the adequacy of policies and procedures concerning anti money laundering and counter terrorism financing, and include the findings to his report. The Central Bank shall be informed promptly if the chartered accountant discovers any violation to this regulation.

**Article No. (11):** Moneychanger shall set continuous training plan and programs for the operatives in the field of anti money laundering and counter terrorism financing. Such programs shall include, methods of money laundering, means of discovery and report, how to deal with suspicious customers and maintenance of records for all training

programs being during a period of no less than five years. Such records shall include the names and qualifications of trainees and the party, which conducted the training program, whether in The Kingdom or abroad.

**Article No. (12):** Subject to the provisions of the regulations issued pursuant to the applicable anti money laundering and counter terrorism financing law, the Moneychanger shall implement the obligations of relevant and enforceable international decisions, which are communicated by the Central Bank or the competent authorities.

**Article No. (13):** If the moneychanger violates any of the provisions of this regulation, he shall be subjected to punitive actions stipulated under the provisions of the applicable anti money laundering and counter terrorism financing.

**Article No. (14):** Final Provisions:

- a- The regulation of anti money laundering and counter terrorism financing no. (9/2/3683) dated 30/03/2010 shall be canceled.
- b- This regulation shall come into effect as of the date.

The Governor

Faris Abdul Hameed Sharaf

(Signed)