

Anti Money Laundering in Securities Market Activities Guide

First: Steps of money laundering:

Step one: Placement

In this step cash proceeds of criminal or illegal activity are placed or invested in the financial market.

Step two: Layering

In this step the proceeds of criminal activity are separated from their origins through layers of complex financial transactions.

Step three: Integration

In this step laundered money is integrated in economic activities to make them look legitimate, as if these were ordinary economic activities, to the point where it becomes difficult to distinguish between it and money from legitimate sources.

Second: Cases that give rise to suspicion of money laundering

1. A client who shows extraordinary interest in the degree of compliance of parties subject to Anti Money Laundering Instructions in financial market operations, with the requirements to report suspicious activities.
2. A client who refuses to give any information related to his activities or the source of his money.
3. A client who is accompanied by another person who directs the client and answers all the questions and inquiries posed by the employee.
4. A client who has difficulty describing the nature of his activity or who lacks general information related to that activity.
5. A client who gives information identifying the source of his money, which turns out to be erroneous or misleading.
6. A client who trades in large sums of money without having the most basic knowledge of the nature and risks of investment in securities.
7. A client who has many accounts or who has power of attorney over several accounts in the company, and who does not trade in these accounts.
8. The client who deposits regularly and repeatedly a sum of money less than JD 10,000 by a small amount to avoid being subject to due diligence procedures provided for in the Anti Money Laundering Instructions.
9. Deposits in the client's account of large and unjustified sums through money orders.
10. A client whose account statement shows large unjustified deposits related to cash or cheques whose totals are usually equal.
11. A client who deposits a sum of money, and shortly afterwards transfers the sum to a third party or to another company without a justification related to his/ her work.
12. A client who deposits a sum in cash to buy securities as a long-term investment, then shortly afterwards instructs the broker to sell and withdraws the money.

13. A client who feeds his/ her account constantly and does not do any trading or does very little trading, then he/ she withdraws the money.
14. If a client requests transfers, without justification, between his accounts and those of others who authorize him to trade on their behalf.
15. A client in a country that does not have anti money laundering legislation or legislation against terrorism financing.
16. A client who deposits large sums in his account and asks to buy securities without care to profit or loss, then sells and withdraws the money.
17. A client who does not show interest regarding risks, value of commissions, or other costs of trading.

Third: Behavior of employees of parties subject to the provisions of the Anti Money Laundering Law

Modes of behavior described below by employees of parties subject to the provisions of the Anti Money Laundering Law constitute grounds for suspicion of money laundering activity:

1. A sudden and noticeable rise in the standard of living and expenditure of the employee that is not compatible with his/ her monthly salary.
2. If the employee helps execute operations through which the name of the end beneficiary or the counterpart is concealed.
3. If the employee repeatedly bypasses oversight procedures and pursues a policy of prevarication in performing his work.
4. If the employee gives priority to executing the instructions of certain clients.
5. If the employee exaggerates the credibility, morality, ability, and sources of the client in his reports to the management.
6. If the employee avoids taking any holidays.

Fourth: Client identification forms

- a. identification form (natural person)
- b. identification form (legal person)

Client Identification Form A

First: Natural Person Personal Information

Client's Name	Nationality	Date of Birth	National Identification Number	Home and Cellular Telephone	E-mail
Client's Address	Street	City	Governorate	Postal Code	
Client's Profession	Client's position	Work Telephone	No. of Years in Position		
Client's Place of Work	Address of Place of Work				
Source of Client's Money					
Proof of Identification <input type="checkbox"/> Passport <input type="checkbox"/> Identity Card No of Identity Card _____ Issued on ___ / ___ / _____ Issued by _____ Valid Until ___ / ___ / _____					
Names of natural persons authorized to trade on the account (agent, guardian, custodian) number of document proving the identity of the authorized signatory					
Name of Agent	Nationality	Certified Copy of Legal Power of Attorney	National Identification Number	Telephone Number	E-mail
Agent's Address	Street	City	Governorate	Postal Code	
Agent's Occupation	Place of Work	Work Telephone			
Proof of Identification <input type="checkbox"/> Passport <input type="checkbox"/> Identity Card No of Identity Card _____ Issued on ___ / ___ / _____ Issued by _____ Valid Until ___ / ___ / _____					
Name of Guardian or custodian	Nationality	Relationship to Client	National Identification Number	Telephone	E-mail
Address of Guardian or custodian	Street	City	Governorate	Postal Code & P O Box	
Occupation of Guardian or custodian	Place of work of Guardian or custodian	Work Telephone			
Copy of Court Ruling (custodian)			Copy of Family Book (guardian)		
Proof of Identification <input type="checkbox"/> Passport <input type="checkbox"/> Identity Card No of Identity Card _____ Issued on ___ / ___ / _____ Issued by _____ Valid Until ___ / ___ / _____					

Client's signature

Company's stamp

Signature of authorized person

Client Identification Form B

Second: Legal Person (General Information)

Named of Company	Legal Status	Capital	Established in accordance with Law	Names and addresses of shareholders whose shares represent more than 10% of the Company's capital
Trade Registration Number Source of the Company's money		Tax Number	Nature of Company's Work	
Company's Address	Street	City	Governorate	Postal Code
Country where Company was established	An official Certificate Certified by Relevant Authorities	Telephone	Fax	E-mail
Names of natural Persons Authorized to trade on the account				
Documents proving the authority of the persons to trade on the account of the Company, such as a letter issued by the Ministry of Industry and Trade				
Name of Person (1)	Nationality	Date of Birth	Telephone	E-mail
Address of Person (1)	Street	City	Governorate	Postal Code and PO Box
Proof of Identification <input type="checkbox"/> Passport <input type="checkbox"/> Identity Card				
No of Identity Card _____ Issued on ___ / ___ / _____				
Issued by _____ Valid Until ___ / ___ / _____				
Name of Person (2)	Nationality	Date of Birth	Telephone	E-mail
Address of Person (2)	Street	City	Governorate	Postal Code and PO Box
Proof of Identification <input type="checkbox"/> Passport <input type="checkbox"/> Identity Card				
No of Identity Card _____ Issued on ___ / ___ / _____				
Issued by _____ Valid Until ___ / ___ / _____				

Client's signature

Company's stamp

Signature of authorized person