



QATAR
NATIONAL
ANTI-MONEY
LAUNDERING &
TERRORISM
FINANCING
COMMITTEE

**In The Name of GOD,
Most Gracious, Most Merciful.**



His Highness - Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar



His Highness - Sheikh Tameem Bin Hamad Al-Thani
The Heir Apparent





CONTENTS INDEX

Address by HE Sheikh Abdullah Bin Saud Al-Thani Governor of Qatar Central Bank	12
Address by HE Sheikh Fahad bin Faisal Al Thani Deputy Governor, Chairman of the National Anti Money Laundering & Terrorism Financing Committee	15
Address by Abdullah Salem Al-Ali Vice Chairman and Coordinator of the National Anti Money Laundering and Terrorism Financing Committee	17
Address by Sheikh Ahmed Bin Eid Al-Thani Head of the Financial Information Unit. Member of the National Committee for Anti-Money Laundering and Combating Financing of Terrorism & the National Terrorism Fighting Committee	19
Chapter One: Legislations	21
- Section One: Laws On Anti Money Laundering & Terrorism Financing. 1- Law No. (28) of 2002 on Anti-Money Laundering LAW 2- Decree Law No. (21) 2003 Amending Some Provisions Of Law No(28) Of 2002 On Anti-money Laundering 3- Law No (3) Of 2004 On Combating Terrorism	
- Section Two: Other Laws 1- Law No. (11) Of 2004 (Penal Code Of Qatar). 2- Law No. (23) Of 2004 (Code Of Criminal Procedures).	
Chapter Two: Administrative Instructions Issued By Supervisory Authorities	41
- Section One: Qatar Central Bank Regulations For Combating Money Laundering and Financing of Terrorism	
- Section Two: Instructions Issued by Ministry of Economy and Commerce	
- Section Three: Instructions Issued by Ministry of Justice	
- Section Four: Instructions Issued by Civil Service and Housing Affairs Ministry on Charitable Societies	
- Section Five: Instructions Issued by the Qatari Public Authority for Charitable Works	



- section Six: Instructions Issued by Doha Securities Market
- Section Seven: Instructions of the Public Authority for Customs and Ports
- Section Eight: Instructions of Qatar Financial Centre

Chapter Three: Financial Information Unit 141

- Section One: Administrative Order No. (I-2004) Establishing The Financial Information Unit (FIU)
- Section Two: The Organizational Structure of the Unit
- Section Three: Resolution Granting the “Judicial Officer” Capacity to the Head of the Financial Information Unit (FIU)

Chapter Four: National Committees For Combating Terrorism 149

- Section One: National Committees for Combating Terrorism
- Section Two: Role of Qatar Central Bank in the Implementation of Security Council Resolutions on Freezing the Funds and Financial Assets of Persons and Entities Which are Mentioned in the Lists Annexed Thereto

Chapter Five: International Relations 155

- Section One: Membership of Qatar in the AML/CFT Financial Action Task Force (FATF)
- Section Two Qatar’s Contribution to the Creation of the Middle East North Africa Financial Action Task Force (MENA FATF)
- Section Three: Joining the Egmont Group

Chapter Six: Qatari Efforts In Anti-money Laundering And Combating Of Terrorism Financing 165

- Section One: Achievements of the National AML/CFT Committee and the Financial Information Unit (FIU)

Chapter Seven: International Standards - FATF Recommendations 175

- Section One: The 40 Recommendations
- Section Two: The 9 Special Recommendations (SR) on Terrorism Financing (TF)



National Anti-Money
Laundering & Terrorist
Financing Committee





Address by **HE Sheikh Abdullah Bin Saud Al-Thani**
Governor of Qatar Central Bank

Money laundering has become one of the most serious economic crimes with adverse impacts on society, being the common denominator of most patterns and forms of crimes and illegal activities.

Money laundering may be defined as a set of activities that basically seek to conceal the real source of the funds and the results of criminal acts, in order to give such funds a legal status and then re-inject into the national economy.

Money laundering techniques evolve continuously, finding support in the tremendous development witnessed by banking and financial technologies available, the introduction of innovations and new tools, furthered by the economic liberalization witnessed by many countries in order to attract foreign investments and establish financial sectors. For these reasons, money laundering techniques have become increasingly diversified and sophisticated, and their effects are no longer limited to conventional banking, commercial and investment activities but have extended to include the increasing use of electronic payment methods, cross-border money transfer, exploiting the world trade system, in addition to exploiting non-banking activities and fields, and, more recently, the increasing use of non-financial professional in money laundering operations.

The money laundering combating efforts should not be regarded as tasks for the crime control authorities only, for they should be treated as issues that threaten the financial stability of the economy.

The importance of this aspect came to be realized more strongly during the last few years following the huge increase in money laundering operations, particularly those that take place through the global financial and banking system.

During the past few years, it has become painfully clear to all countries of the world that the threat of money laundering and terrorist financing operations is no longer limited to the economic system of any one country, for it has grown to enormous proportions that place the stability of the entire global financial and banking system at great risk.

Similarly, the plague of money laundering has devastating effects on the macro economy because it cripples the ability of the authorities to implement their macro economic policies successfully because of the low credibility of the economic data and statistics available in an environment where it is not possible to measure and forecast the size of these activities. Furthermore, the sharp fluctua-



tions in the movement of funds, deposits and cash flows accompanying money laundering operations adversely affect the stability of the monetary and foreign exchange markets.

No country can afford to disregard the role played by money laundering and its associated criminal activities in creating deformities in the patterns of distributing resources and wealth with the economy. In addition, there are undeniably clear signs of the negative effects of money laundering operations on economic growth, to say nothing of the redirecting of resources towards non-feasible and high-risk investments at the expense of genuine and feasible investments.

It is worth mentioning in this context that violation and failure to observe the international standards set for combating money laundering, as issued by a number of international groups and organizations and economic and financial institutions, particularly the Financial Action Task Force (FATF) for combating money laundering result in huge economic and other costs and risks.

The countries and institutions that are known to have failed to observe these rules and principles face the application of counter measures that lead at least to higher cost of economic transactions with such countries and institutions and negatively affect the efficiency and speed of cash flows and payments from and to those countries, to say nothing of the political and ethical repercussions on these countries and institutions stemming from their failure to monitor and combat money laundering and financing of illegal activities.

On the other hand, countries that observe and implement the international standards and rules gain the trust of the international community, and their financial institutions and sectors build a good reputation that enables them to reap positive fruits in terms of economic soundness and political and social stability.

The State of Qatar has taken the initiative of introducing many precautions and measures in the field of combating money laundering and terrorist financing, all of which were designed to protect financial institutions and sectors against the risks created by these serious crimes.

Foremost among those measures was the Law No.28 of 2002 for Combating Money Laundering, as amended by the Law No.21 of 2003. These laws provided the legislative structure for all measures and precautions taken in the field of combating money laundering and terrorist financing.

Pursuant to Article 8 of the said law, the National Committee for Combating Money Laundering and Terrorist Financing was created on November 9, 2002,



headed by the Deputy Governor of the Central Bank of Qatar.

This committee has been carrying out its tasks and responsibilities as laid down by the law and made achievements that resulted in positive effects that have been reflected on the ability of the State of Qatar to qualify to join several international and regional organizations related to combating money laundering and terrorist financing, such as the Egmont Group and the Middle East and North Africa Financial Action Task Force (MENA FATF).

From the beginning of the 1990's, the Central Bank of Qatar has earnestly sought to take such measures as are necessary to confront the growing trend of money laundering and terrorist financing. To this end, it issued numerous instructions to financial institutions operating in the country, laying down all procedures that should be observed, as well as guidelines or work manuals that would be enable institutions to identify those criminal acts and follow the procedures of combating them.

In addition, the Central Bank of Qatar has been keen to provide support to the financial institutions in order to help them strengthen their financial positions through observance of the international financial standards so that they will be able to protect themselves and their depositors' funds against exploitation in money laundering and terrorist financing, thereby furthering their credibility through observance of the international transparency standards.

Through its various competent departments, the Bank verifies observance by the financial institutions of the instructions issued to them in the field of money laundering and terrorist financing.

In conclusion, the Central Bank of Qatar has played a positive role in establishing the Financial Information Unit, which is the body presently in charge of supervising the measures taken to combat money laundering and terrorist financing in Qatar.



Address of **HE Sheikh Fahad bin Faisal Al Thani**
Deputy Governor, Chairman of the National Anti Money Laundering
& Terrorism Financing Committee

The question of combating money laundering and terrorism financing has reached global dimensions and attracted a tremendous attention over the past few years as all countries came to realize strongly enough the gravity of these crimes and their negative impact on their national economies.

Concerted international efforts have been made to combat the crimes of money laundering and terrorism financing, as evidenced by the multitude of procedures and precautions taken at the global level. Many countries crowned their efforts in this regard by the issue of legislations and laws that set up the legal framework for all procedures and policies that may be applied.

In line with the international efforts to this end, the State of Qatar issued the Law No. 28 of 2002 for combating money laundering and issued an amendment to several provisions of the Law No. 21 of 2003.

In Article 8, the said law provided for the creation of the National Anti Money Laundering and Terrorism Financing Committee for achieving many objectives mainly so that the Committee will act as the independent central government authority in charge of drawing the public policy for combating money laundering in the country, instead of spreading these functions widely among a large number of control bodies; to have the ability to deal with the corresponding bodies in other countries, with the power to take decisions and draw plans particularly in connection with the relation of the State of Qatar with the international organizations; to be the point of reference in respect of legislations related to money laundering and terrorism financing; continuously to review and develop existing legislations in order to increase their effectiveness in light of international developments and requirements, thereby achieving uniformity of the legislations in force in the Gulf Cooperation Council countries.

Given the importance of its role and in order to achieve the objectives for which it was established, the law provides that the National Anti Money Laundering and Terrorism Financing Committee shall be under the chairmanship of the Deputy Governor of the Qatar Central Bank, and that its members shall be representatives of the ministries and other government bodies, namely, the Ministry of Interior, the Ministry of Finance, the Ministry of Economy and Commerce, the Ministry of Justice, the Ministry of Civil Service and Housing, the Qatar Central Bank and the Public Authority for Customs and Ports. A member representing the State Security Bureau has recently been added to the Committee.



The responsibilities of the Committee have been specified as to draw and approve plans, programs and policies for combating money laundering and terrorism financing and to follow up the implementation thereof, to follow up the coordination efforts with the competent bodies for implementing the provisions of the relevant international resolutions and conventions, and to monitor international developments in the field of its work and suggest actions required with regard thereto.

The National Committee proceeded to perform its functions since its establishment on 9 November 2002. To this end, it held numerous meetings and made many important achievements in its field of work, particularly after it had established the Financial Information Unit which has been entrusted with the job of overseeing the implementation of the instructions related to money laundering and terrorism financing at all concerned bodies of the State, to receive notices of suspicious operations and taking appropriate action concerning them, in addition to its effective role in supporting international co-operation and exchanging information with financial intelligence units in other countries.

The National Anti Money Laundering and Terrorism Financing Committee lauds the constructive support, effective assistance and genuine cooperation it has been receiving from all the concerned Government authorities, thereby contributing greatly to the success of the National Committee in performing its role in an optimum manner. Indeed this reflects the deep awareness and true understanding by all concerned of the gravity of the crimes of money laundering and terrorism financing, and importance of joint efforts and cooperation toward achieving this vital objective.



Address by **Abdullah Salem Al-Ali**

Vice Chairman and Coordinator of the National Anti Money
Laundering and Terrorism Financing Committee

The economic prosperity and the technological revolution have led to the emergence of new kinds of crime whose impact affects not only individuals by countries and societies as well.

Economic crimes, including money laundering are so serious as to pose a new challenge to countries, in view of their nature, methods and economic, security and social effects.

Guided by its strong belief in and understanding the gravity of these crimes, His Excellency the Minister of State for Internal Affairs issued the Resolution No. 29 of 2004 AD to establish a section at the Criminal Investigation Unit under the name “Economic Crimes Combating Section” responsible for research and investigation of money laundering, computers, credit cards, counterfeit money and forgery, in coordination with the other bodies of the State.

The personnel of the Section have been carefully selected and are being enrolled in a many training courses, conferences and programs locally and abroad in the fields of combating economic crimes in general and combating money laundering and terrorism financing crimes in particularly, thereby increasing the efficiency of the Section personnel, both officers and individuals in dealing with this kind of crimes, develop their work and remain abreast with all developments in this field.

Pursuant to the guidelines issued by His Excellency the Ministry of State for Internal Affairs concerning coordination with other control bodies in this field, the Section maintains close cooperation and coordination with the National Anti Money Laundering and Terrorism Financing Committee and the Financial Information Unit. This is carried out through the conduct of investigations and collection of information that the Financial Information Unit needs in examining and analyzing suspicious transactions referred to it from financial institutions and other parties.

In addition, there is continuous cooperation and coordination between the Section and the Financial Information Unit in following up suspicious operations.

It is worth mentioning that the efforts of the Ministry of Interior in confronting the crimes of money laundering and terrorism financing were in no way limited to the establishment of the Economic Crimes Combating Section, for the Ministry has organized many training courses and programs in the field of combating these crimes, by seeking the assistance of outstanding competences in this field in order



to raise the efficiency of its personnel in dealing with these crimes. The Ministry is also keen to participate effectively in international and regional meetings related to money laundering and terrorism financing.

Furthermore, the Department of International Cooperation at the Ministry of Interior provides the Financial Information Unit with the alerting circulars related to suspicious operations that it receives from the INTERPOL and other international organizations. It also coordinates with the international organization concerned with money laundering and terrorism financing through responding to questionnaires received by it and attending conferences and seminars organized and conducted by those organizations in this field.

Finally, the efforts made by the Ministry of Interior in terms of on-going coordination and continuous cooperation with the National Anti Money Laundering and Terrorism Financing Committee have led to great results in terms of the selection of two of its personnel, one as vice chairman and the other as coordinator of the committee, and in terms of the on-going follow up of the plans and programs related to money laundering and terrorism financing.



Address by **Sheikh Ahmed Bin Eid Al-Thani**

Head of the Financial Information Unit.

Member of the National Committee for Anti-Money Laundering and Combating Financing of Terrorism & the National Terrorism fighting Committee

Combating Money laundering and financing of terrorism (CFT) has acquired international dimensions of significant importance in different areas across the world, especially after everybody came to realize the seriousness of these crimes and their negative impacts on many sectors in every country.

Recommendations and decisions issued by international organizations and groups agreed on the importance of setting a strict system in every country and adopting strict AML/CFT measures.

Usually, institutional measures are among the most essential elements of any combating system in any country. Since the Financial Action Task Force (FATF) realizes the importance of this aspect, Recommendation 26 of the 40 recommendations issued by FATF called for the establishment of financial investigation units (FIUs) in all countries.

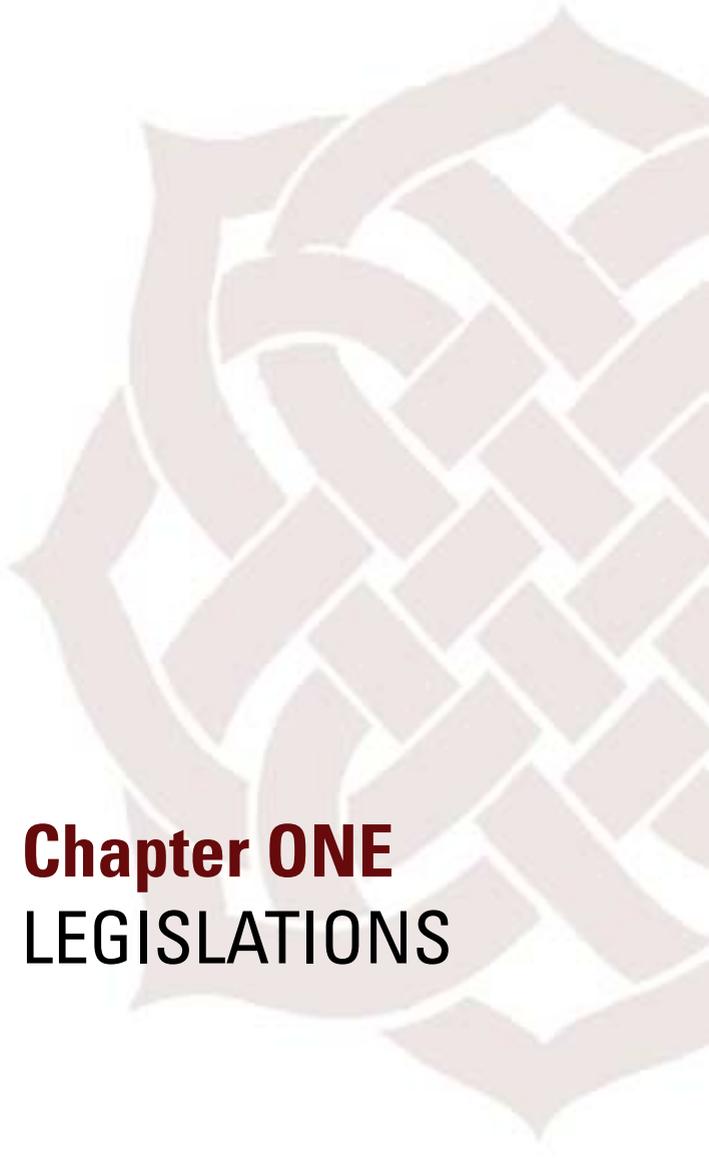
FIUs - based on the general definition set by the EGMONT Group - play an essential role in combating money laundering and terrorist financing, especially in terms of reporting suspicious transactions and legal measures taken on the basis of such reports. Moreover, FIUs engage in international cooperation and exchange of information among each other.

Since Qatar keeps apace with the international resolutions, decision No.1/2004, dated 31/8/2004 issued by the National Committee for Anti-Money Laundering and Combating Financing of Terrorism, provides for the establishment of a financial information unit and the approval of its organization structure.

On 17.10.2004, this unit started to perform its tasks and responsibilities as set forth in the decision under which it was established.

The unit performs a significant role in enhancing national cooperation, which implies continuous cooperation and coordination between this unit and the various regulatory bodies, as well as law enforcement authorities in the country.

The unit's regulatory structure indicates that it is composed of three sections: Financial Analysis and Distribution, Studies and Follow-up, and Information and International Cooperation. In addition, the unit receives legal and administrative support.



Chapter ONE
LEGISLATIONS



SECTION ONE

Laws on Anti Money Laundering & Terrorism Financing.

Law No. (28) of 2002 on Anti-Money Laundering LAW

We, Hamad Bin Khalifa Al Thani, Emir of the State of Qatar

After having perused the Amended Provisional constitution, especially articles No. (23), (34) and (51), thereof; and
the Law No. (5) of the year 1970, specifying the powers of the ministers and functions of the ministries and other government bodies and its amendments, and
the Penal Code of Qatar, promulgated by Law No. (14) of 1971 and amending laws thereof; and
Law No. (9) of 1987, Concerning Combating Drugs and Psychotropic Substances and Regulating Dealing and Trading therein, as amended by Law No. (7) of 1998; and
The Decree Law No. (15) of the year 1993, establishing Qatar Central Bank, amended by the Law No. (19) of the year 1997; and
The Decree Law No (22) of 1993, regulating the Ministry of Finance, Economy and Commerce and specifying its Powers; and
Law No. (36) of the year 1995, regulating the Business of Foreign Exchange; and
Law No. (14) of 1999, Concerning Weapons, Ammunitions and Explosives, amended by the Law No. (2) of the year 2001; and
The UN Convention against Illicit Drugs and Psychotropic Substances, ratified by the State under Decree No. (130) of 1990; and
The Arab Convention for combating Illicit Trafficking and Drugs and Psychotropic Substances, ratified by the Decree No. (64) of 1995; and
The proposal of the Ministers of Interior and Finance; and
The draft law submitted by the Council of Ministers; and
After having consulted the Advisory Council, “ Shoura ”

Have decided the following Law:



Chapter One

Definitions

Article (I)

In application of the provisions of this Law, the following words and expressions shall have the meaning explained adjacent to each, unless the context requires otherwise:

Competent Entity : The Ministry or government department or general authority, or public corporation or Qatar Central Bank as the case may be.

Financial Institution : Any companies or institutions licenced to carry out banking or financial business such as banks, exchange bureaus, investment companies, finance companies, insurance companies, companies or professionals carrying out financial services, brokers of shares and securities, or any similar individuals or entities.

The Committee : The National Anti-Money Laundering Committee

The Coordinator : The Coordinator of the Committee.

Funds or Properties : Assets of any kind, movable or immovable, legal documents and deeds proving the ownership of such properties or any rights related thereto.

Instrumentalities : Everything used or intended to be used for committing the money laundering crime.

Proceeds or Returns : Any funds or properties earned directly or indirectly by committing one of the crimes stipulated for in this Law.

Provisional Detainment : The temporary prohibition from transporting, transferring, exchanging, disposing of, moving funds or properties, or taking possession or seizure thereof by virtue of a judgment or order by the competent court.



Chapter Two

The Money Laundering Crime

Article (2)

He who commits any of the following acts, shall commit a money laundering crime:

1. Any person who earns, possesses, disposes of, manages, exchanges, deposits, adds, invests, transports or transfers funds obtained from the crimes of drugs and psychotropic substances, extortion and looting, forgery, counterfeiting and imitation of notes and coins, illegal trafficking in weapons, ammunitions and explosives, crimes related to environment protection or the crime of trafficking in women and children, with the intention of hiding the real source of the funds and show that their source is legal.

2. Any employee in the financial institutions who receives cash amounts or securities, transfers or employs such amounts in financial or banking transactions, knowing or having a reason to believe that such amounts resulted from one of the crimes stipulated in the previous para.

Article (3)

Any person who, by virtue of his job, obtains information related to a money laundering crime, as stipulated in the previous Article, without taking the legal measures prescribed by the law, shall commit a crime associated with the money laundering crime.

Chapter Three

The Duties of the Financial Institutions and the Competent Entities

Article (4)

Employees of the financial institution shall not inform their customers about the actions taken against them related to combating money laundering.

Such employees shall not disclose any information with the intention of influencing money laundering investigations.



Article (5)

In the enforcement of this Law, provisions related to the secrecy of banking transactions shall not apply to the chairman, members of the board of directors and employees of the financial institution, unless where it is proved that the disclosure was meant to harm the owner of the transaction.

Article (6)

Financial Institutions shall provide the competent entity with a detailed report on the transactions it carries out, whose nature or purpose is suspicious.

In case the competent entity finds any reason to believe that the transactions stipulated in the preceding item constitute a money laundering crime, it shall refer papers and documents related thereto to the coordinator.

Article (7)

The competent entity shall determine the duties of the financial institutions in the field of combating money laundering and follow up their implementation.

Chapter Four

The National Anti Money Laundering Committee

Article (8)

A committee named “The National Anti Money Laundering Committee” shall be established in Qatar Central Bank under the presidency of QCB Deputy Governor and the membership of the following:

1. Two representatives of the Ministry of Interior, one of whom is a director from the ministry’s specialized departments, who shall be the vice chairman and the committee coordinator, who shall exercise his powers through his department.

2. A representative of the Ministry of Civil Service Affairs and Housing.
3. A representative of the Ministry of Economy and Commerce.
4. A representative of the Ministry of Finance.
5. A representative of the Ministry of Justice.
6. A representative of QCB.

Each entity shall nominate its representative and the QCB Governor shall issue a decision nominating the chairperson, vice chairperson and members.



The committee shall issue its own regulations, and may seek the assistance of expert persons.

Article (9)

The committee shall perform the following functions:

1. Prepare, adopt and follow up the implementation of anti-money laundering plans and programs.
2. Follow coordination with the competent entities to implement the provisions of legislations and agreements related to anti-money laundering.
3. Follow up the new international trends and propose the measures necessary in this regard.
4. Prepare the necessary reports, statistics and data on anti-money laundering efforts.

Article (10)

The Coordinator shall perform the following functions:

1. Implement the decisions of the committee.
2. Coordinate with the concerned entities to implement provisions of legislations and agreements related to anti-money laundering.
3. Receive suspicious transaction reports from the competent entities and take the necessary legal actions in their regard.
4. Follow up the investigation procedures, information gathering and enquiries conducted by the competent entity.
5. Request the issuance of temporary provisional measures' orders from the relevant judicial authority and follow up their execution.
6. Follow up the execution of the judicial orders related to the money laundering crimes.
7. Follow up the implementation of the procedures related to international cooperation and the exchange of information in the anti money laundering field.
8. Keep the official papers and documents related to the activities of the committee.



Chapter Five

Investigation Procedures

Article (11)

Investigation in the money laundering crime may be conducted independently from the predicate offence.

Article (12)

In the case of entertaining fear as to the disposal of funds or properties subject of a money laundering crime, the court, upon the request of the coordinator or the Public Prosecutor, may order the detainment there of until a final judgment in the criminal case is given.

All the interested parties may appeal before the relevant court against such order within thirty days, and the decision of the court of appeal shall be final.

Chapter Six

Penalties

Article (13)

Without prejudice to any severer penalty, any person who commits any of the crimes stipulated in Article (2) of this Law, shall be punished by imprisonment for a period not exceeding seven years and fined an amount not less than fifty thousand Riyals, and not more than the value of the funds subject of the crime.

Any person who commits the crime stipulated in Article (3) of this Law, shall be imprisoned for a period not exceeding three years and fined an amount not more than ten thousand Riyals.

Any person who violates the provisions of Article (4) of this Law, shall be imprisoned for a period not exceeding one year and fined an amount not more than three thousand Riyals.

The penalties stipulated in the above paragraphs shall be doubled if the crime is committed in collaboration with one person or more as well as in the case of repetition.

The accused person shall be deemed to have repeated the crime, if he commits a similar crime before the expiration of five years after serving the penalty ruled against him, or the prescription thereof.



In all cases, and without prejudice to the rights of other bona fide parties, the court shall order the confiscation of the instrumentalities, proceeds and returns of the crime.

Article (14)

If the crimes stipulated in Articles (2), (3) and (4) of this Law are committed by a legal person, the legal person shall be fined an amount not less than the value of the instrumentalities, returns and proceeds of the crime without affecting the responsibility of the natural person. An order may be issued to cancel the license of the legal person or suspend it for a period not exceeding one year.

Article (15)

If any of the perpetrators provides the competent entity with information on the crime and the persons associated therewith prior to its knowledge thereof, he shall be exempted from the penalties stipulated in this Law. If the report is made after the knowledge of the competent entity of the crime and leads to the confiscation of the instrumentalities, proceeds and returns related thereto, the court may order the suspension of the penalty.

Chapter Seven **General Provisions**

Article (16)

Without prejudice to the rights of bona fide third parties, all contracts whose parties or any of them know or have reason to believe that the objective of the contract is to prevent the confiscation of the instrumentalities, proceeds or returns related to the money laundering crime, shall be deemed null and void.

Article (17)

The money laundering crime shall be a crime where legal assistance, coordination, joint cooperation and extradition of accused persons is permissible in accordance with the provisions of any agreements concluded or ratified by the State.

Article (18)

Final judgments issued by a foreign court to confiscate the instrumentalities, proceeds or returns related to a money laundering crime shall be executed in accordance with the provisions of any agreements concluded or ratified by the State.



Article (19)

The coordinator and the employees of the competent entity, seconded by a decree issued thereby, shall have a law-judicial power to detect and investigate the crimes provided for in this Law.

Article (20)

In coordination with the Governor of QCB and upon the proposal of the committee, the Minister of Interior shall issue the executive decrees to implement the provisions of this Law.

Article (21)

All competent entities, each in its capacity, shall implement this Law. This Law shall come into force sixty days after the date of its publication in the official gazette.

Signed by

Hamad Bin Khalifa Al Thani

Emir of the State of Qatar

Issued at Diwan Emiri

03/07/1423

Corresponding to 10/09/2002



DECREE LAW NO. (21) 2003 **AMENDING SOME PROVISIONS OF LAW NO(28)** **OF 2002 ON ANTI-MONEY LAUNDERING**

We, Hamad Bin Khalifa Al Thani

Emir of the State of Qatar,

After having perused the Amended Provisional Constitution; particularly Articles (23), (27), and (34) thereof;

Law No. (28) of 2002 On Anti-Money Laundering; AND

The Proposal of the Ministers of Interior and Finance, AND

The Draft-Law submitted by the Council of Ministers

Have decided the following law:

Article (1)

The provisions of Articles (2.1), (8) and (12) of the referred to Law No. (28) 2002, shall be replaced by the following provisions:

Article (2)

“ 1- Any person who earns, possesses, disposes of, manages, exchanges, deposits, adds, invests, transports or transfers funds obtained from the crimes of drugs and dangerous psychotropic substances; extortion and looting; forgery, counterfeiting and imitation of notes and coins; illegal trafficking in weapons, ammunitions and explosives; crimes related to environment protection; or the crimes of trafficking in women and children; OR crimes considered by law as terrorist crimes, with the intention of hiding the real source of the funds and show that their source is legal”.

Article (8)

“A Committee named “The National Anti-Money Laundering Committee” shall be established in Qatar Central Bank (QCB) under the presidency of QCB Deputy Governor and the membership of the following:

- Two representatives of the Ministry of Interior, one of whom is a director from the Ministry’s specialized departments who shall be the vice chairman and committee coordinator, and who shall exercise his powers through his department.
- A representative of the Ministry of Civil Service Affairs and Housing.
- A representative of Ministry of Economy and Commerce.
- A representative of Ministry of Finance.
- A representative of Ministry of Justice.
- A representative of Qatar Central Bank.
- A representative of the Customs & Ports General Authority.



Each entity shall nominate its representative and the QCB Governor shall issue a decision nominating the chairperson, vice chairperson and members. The Committee shall issue its own regulations and may seek the assistance of experts.

Article (12)

In case of fear as to the disposal of the funds or properties subject of a crime of money laundering, the Governor QCB may order temporary detainment for a period not exceeding ten days. The public prosecutor shall be notified of such order within three days from the date of its issuance, otherwise it shall be treated as null ab initio, The Public prosecutor may cancel the detainment order or renew it for a period not exceeding three months. The detainment order may not be renewed beyond the three months limit referred to except by order of the Criminal Major Court at request of the public prosecutor and the renewal shall be for a similar period or periods until a final judgment is passed in the criminal case.

In all cases, every party concerned may lodge grievance against the detainment order or renewal thereof before the Criminal Major Court, within thirty days from the date of his knowledge thereof, and the court ruling thereon shall be final.

Article (2)

All competent entities, each in its own capacity, shall implement this law. This Law shall come into force sixty days after the date of its publication in the official gazette.

Hamad Bin Khalifa Al Thani

Emir of the State of Qatar

Issued in the Emiri Diwan

On 10/09/1424 H

Corresponding to 5/11/2003



LAW NO (3) OF 2004 ON COMBATING TERRORISM

We, Hamad Bin Khalifa Al Thani,

Emir of the State of Qatar,

After having perused the Amended Provisional Constitution, particularly Articles 23, 34, and 51 thereof; and

The Penal Code of Qatar, promulgated by Law No. 14 of 1971 and amending laws thereof; and

The Code of Criminal Procedures promulgated by Law No. 15 of 1971, and amending laws thereof; and

Law No.14 of 1999 on Weapons, Ammunitions and Explosives, as amended by Law No.2 of 2001; and

Law No. 28 of 2002 on Anti-Money Laundering, as amended by Law Decree No. 21 of 2003; and

Law No. 10 of 2002 on the Public Prosecution; and

Law No. 17 of 2002 on the Protection of Society; and

The Judiciary Authority Law, promulgated by Law No. 10 of 2003; and

The proposal of the Minister of Interior; and

The draft law submitted by the Council of Ministers; and

After having consulted the Advisory Council, “ Shoura ” ,

Have decided the following law:

Article (1)

In applying the provisions of this Law, the felonies provided for in the Penal Code or any other law shall be considered terrorist crimes, if committed for a terrorist purpose.

A purpose is said to be a terrorist purpose, when the motive for using force, violence, threat, or causing terror, is obstructing application of the provisions of the Amended Provisional Constitution or the Law, breaching the public order or exposing the public safety and security to danger or damaging the national unity that results or could have resulted in injuring the public, or terrifying them, exposing their life, liberty or security to danger, harming the environment, public health, the national economy, public or private utilities, establishments, or properties, or seizure thereof or hindering their functions, or obstructing or hindering the public authorities from exercising their duties.

Article (2)

The following punishments shall be applied in the terrorist crimes provided for in the preceding Article instead of the punishments prescribed therefore:



- 1- Death penalty, if the sentence prescribed for the crime is life imprisonment.
- 2- Life imprisonment, if the sentence prescribed for the crime is imprisonment for a period not less than 15 fifteen years.
- 3- Imprisonment for a period not less than 15 fifteen years, if the sentence prescribed for the crime is not less than 10 ten years.
- 4- The maximum sentence prescribed for the crime, if that sentence is imprisonment for a period less than 10 ten years.

In all cases, the punishment shall be with the death penalty, if the crime caused the death of a person, or if weapons are used in committing the crime.

Article (3)

Every person who founds, establishes, organizes or directs a group or an organization in contravention to the law, under whatever name, to commit a terrorist crime shall be punished with the death penalty or life imprisonment.

Every person who joins one of such groups or organizations or participates in their work in any form, knowing of their purpose, shall be punished with life imprisonment.

Article (4)

Every person who provides any of the groups or organizations provided for in the preceding Article with the explosives listed in Schedule (4), or the weapons listed in Part II of Schedule (2) attached to the Law No.14 of 1999, shall be punished with life imprisonment.

The same punishment shall be imposed upon any person who provides any of the groups or organizations referred to in the preceding paragraph, knowing of their purpose, with weapons, ammunitions, technical information, material or financial support, information, or equipment, or provides them with supplies, raises money for them, or provides their members with shelter or place for meeting or any other facilities.

Article (5)

Every person who coerces another person into joining any of the groups or organizations, provided for in Article (3) of this Law, or prevents that other person from dissociating himself from them, shall be punished with life imprisonment.

Article (6)

Every person who directs an entity, association, or private institution, founded under the Law, and uses such management to committing a terrorist crime, shall be punished with the death penalty or life imprisonment.



Article (7)

Any Qatari who collaborates with or joins any association, body, organization, party, or group, whatever called, which is located abroad, and committing a terrorist crime, even if such crime is not directed against the State of Qatar, shall be punished with imprisonment for a period not less than five years and not exceeding fifteen years.

The punishment shall be imprisonment for a period not less than ten years and not exceeding fifteen years if the Perpetrator has obtained military training with any of the bodies referred to in the preceding paragraph, and the punishment shall be with the death penalty if such military training is intended for committing a terrorist crime against the State of Qatar.

Article (8)

Any person who trains one person or more on using weapons with the intention of using such person in committing a terrorist crime shall be punished with imprisonment for a period not less than five years and not exceeding fifteen years.

And any person who obtains training on using weapons for the purpose of committing a terrorist crime shall be punished with imprisonment for a period not less than three years and not exceeding five years.

Article (9)

Any person who abets another to commit a terrorist crime shall be punished with imprisonment for a period not less than three years and not exceeding five years.

Article (10)

Any person who knowingly conceals or destroys objects, property, weapons, or instruments, obtained, used, or prepared to be used in terrorist crimes, shall be punished with life imprisonment or imprisonment for period not less than fifteen years.

Article (11)

Any person who assaults one of the persons entrusted with enforcing the provisions of this Law, or resists such person by using force, or violence or threat during the performance of his duty or by reason thereof, shall be punished with imprisonment for a period not less than five years and not exceeding fifteen years.

The punishment shall be life imprisonment if the assault or resistance causes permanent disability, or if the criminal carries weapons or kidnaps or detains any of the persons entrusted with enforcing the provisions of this Law or the spouse



or one of the ascendants or descendants of that person.

The punishment shall be with the death penalty if the assault or resistance results in the death of a person.

Article (12)

Any person who knowingly enables, in any way, any person arrested in one of the terrorist crimes to escape, shall be punished with imprisonment for a period not less than ten years and not exceeding fifteen years.

Article (13)

In addition to the prescribed sentences, one or more of the following measures may be taken in the cases provided for in this Law:

1. Prohibition of residence in a designated place or specified area.
2. Restriction of residence in a certain place.
3. Prohibiting frequent attendance of designated places or premises.

In all cases, the period of such measure taken shall not exceed five years, and any person violating the terms of such measures, shall be punished with imprisonment for a period not exceeding one year.

Article (14)

If any of the perpetrators voluntarily informs the competent authorities of the crime before the commencement thereof, he shall be pardoned from the punishments provided for in this law.

A perpetrator enables the competent authorities to arrest of other perpetrators of the crime, before or after commencement of the investigation, he may be also pardoned from such punishments.

Article (15)

Without prejudice to the rights of bona fide third parties, impounded objects, property, weapons, and instruments, which are obtained, used or were intended to be used in any of the crimes to which this Law applies, shall be confiscated.

Article (16)

Criminal case with respect to the crimes to which the provisions of this Law apply, and the sentences passed thereon shall not prescribe.

Article (17)

In conducting investigation and opening the criminal case with respect to terrorist crimes, the public prosecution shall not be limited by the requirement of complaints or requests provided for in the code of Criminal Procedures.



Article (18)

Notwithstanding the provisions of the Code of Criminal Procedures, orders for precautionary detention issued by the public prosecution after interrogating the accused person, with respect to the crimes to which the provisions of this Law apply, shall be for a period of fifteen days, and may be extended for other similar periods, if such an action is in the interest of the investigation, provided that such extensions not exceed six months. Further extensions shall be by order from the competent court.

Article (19)

The Public Prosecutor or whoever he deputizes of the public attorneys, may order impoundment of messages of all kinds, publications, parcels and telegrams, and surveillance of communications made by all means, and recording of all events taking place in public and private places, whenever such order is useful for revealing the truth in the crimes to which the provisions of this Law apply.

In all cases, the order of impoundment, surveillance, or recording shall be reasoned and applied for a period not exceeding ninety days, and shall not be extended except by order from the competent court.

Article (20)

The Public Prosecutor, or whoever he deputizes of the public attorneys, may order review or collection of any data or information relating to accounts, deposits, trusts, safe boxes, or any other transaction with banks or other financial institutions, if such order is necessary for revealing the truth in the crimes to which the provisions of this Law apply.

Article (21)

If there is sufficient evidence on the seriousness of accusation with the crimes provided for in this Law, the Public Prosecutor may issue a temporary order preventing the accused person from disposing of his property or managing it, or to take any other provisional measures.

The order may include the property of the spouse and minor children of the accused person if such property is proved to have passed to the latter from the accused person.

Management of the property subject to a provisional measure order and any grievance therefrom, shall be dealt with in accordance with the procedures provided for in the Code of Criminal Procedures.

Article (22)

The provisions of this law shall not contradict international conventions and treaties relating to terrorism combating to which the State is a party.



Article (23)

All competent entities, each within its own competence, shall implement this Law, and it shall be published in the Official Gazette.

Hamad Bin Khalifa Al-Thani

Emir of the State of Qatar

Issued in the Emiri Diwan

On 25/12/1424 A.H

Corresponding to: 16/02/2004

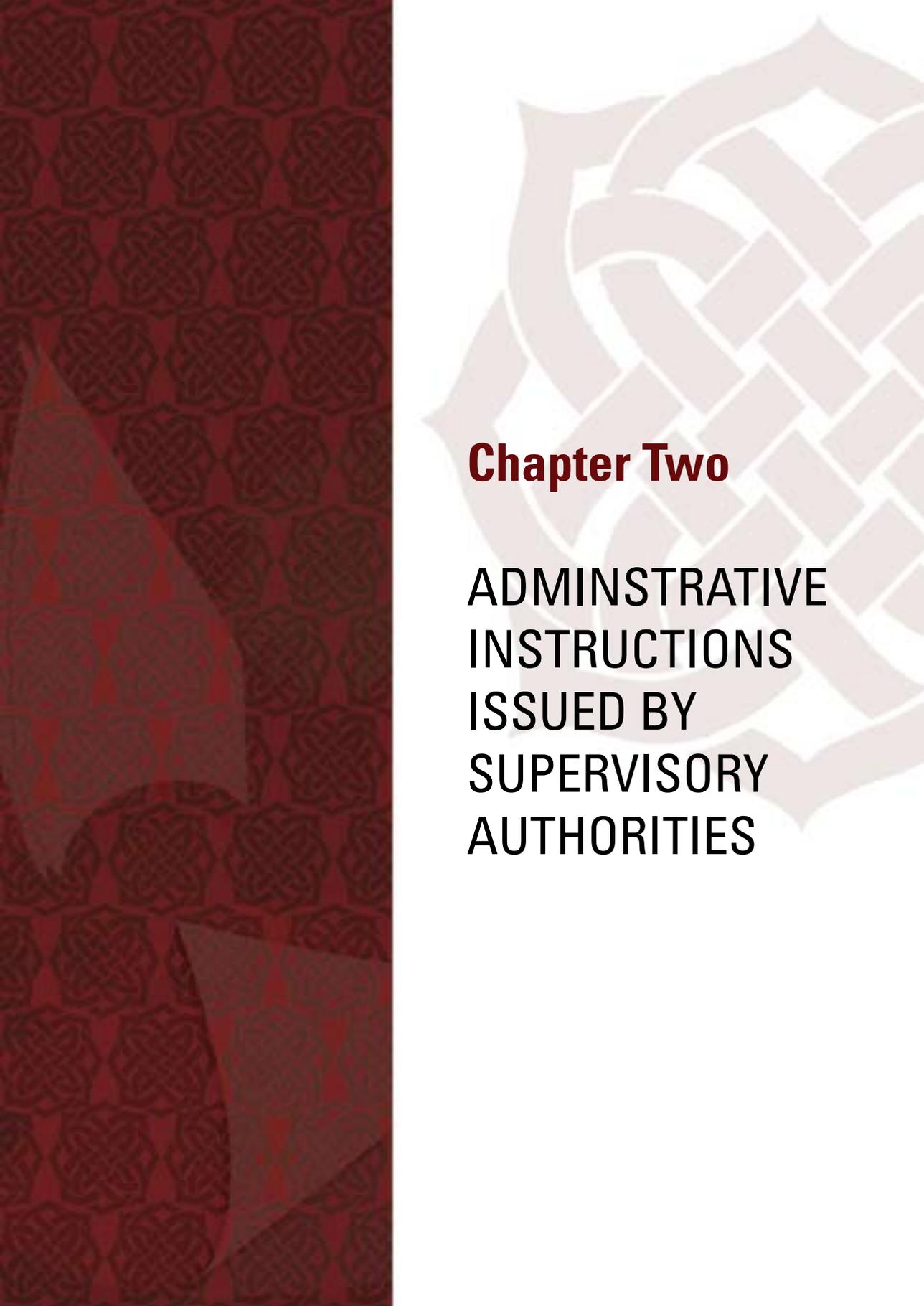
Section Two

Other Laws

- 1- Law No. (11) of 2004
(Penal Code of Qatar).
- 2- Law No. (23) of 2004
(Code of Criminal Procedures).

Texts of The Above-Mentioned Laws are Included in The Attached CD





Chapter Two

ADMINISTRATIVE INSTRUCTIONS ISSUED BY SUPERVISORY AUTHORITIES



Section One (AML) and (CFT)

Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT)

Having perused the Decree-Law No. 33 of 2006 on the Qatar Central Bank,
And the Law No. 28 of 2002 on Combating Money Laundering,
And the Decree-Law No. 21 of 2003 on the amendment of some provisions of Law No. 28 of 2002 concerning the combating of money laundering,
And the Law No. 3 of 2004 on Combating Financing of Terrorism,
It was decided that all banks licensed by Qatar Central Bank shall comply with the following regulations:

First: Definitions

Money Laundering:

The process of entering, transferring or dealing with funds deriving from suspicious or illicit transactions

Terrorist Financing:

The process of using any funds or other assets in financing terrorist acts or terrorist organizations

Occasional Customer:

An irregular or unusual customer of the bank or a customer who has dealt once with the bank and has no constant relationship with the bank.

Beneficial Owner:

Natural person(s) who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person.

Shell Bank:

A bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a banking group that is subject to effective supervision.

Batch Transfer:

Transfer comprised of a number of individual wire transfers that are being sent to the same bank, but may be intended for different persons (multiple beneficiaries)



Non-resident customer:

Politically Exposed Persons (PEPs):
Individuals who are entrusted with prominent public functions in a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, political parties' officials and their families' members up to third degree.

Natural or legal person residing outside the State of Qatar and/or present in Qatar on temporary basis (for tourism/or for visit)

Wire transfer:

It means any transaction carried out on behalf of an originator (both natural persons and legal entities) through the bank by electronic means with a view to making an amount of money available to a beneficiary person at another bank. The originator and the beneficiary may be the same person.

Reduced

due diligence:

It means reducing some (CDD) customer due diligence measures when verifying customer's identity.



Second: Scope of Application

These regulations should be applied on all banks, licensed by Qatar Central Bank, their branches abroad and financial subsidiaries. In the event where there is any difference between the obligations stated herein and those applied in the host country, the stronger obligations should be applied to the extent authorized by the laws and regulations applicable in the hosting country.

The Qatar Central Bank should be notified of any difficulties or restrictions that may limit or prevent the application of these regulations.

Third: Customer Acceptance Policy (CAP)

The bank should develop clear customer acceptance policies, taking into consideration all factors related to the customer and its activities and accounts, in addition to any other indications associated with customer risk. The policy should include a detailed description of the customers according to their respective risk degree.

Fourth: Customer Due Diligence (CDD):

General Rules:

- I/1 The bank should not establish any anonymous accounts, or deal with anonymous customers or establish accounts in fictitious names.
- I/2 The bank should identify the customer and the beneficial owner and verify their identities, whether it consists of a natural or legal person.
- I/3 The bank should take CDD measures in terms of customers and beneficial owners in the following cases:
 - Establishing ongoing business relationship with new customers
 - Executing occasional transaction (or many associated transactions) for an amount exceeding (QR75000) or equivalent in foreign currencies.
 - If the bank has any suspicions about the accuracy or adequacy of any data pertaining to the customer identity.
 - Raising any suspicions about ML/TF transactions.
- I/4 It is not authorized to initiate any business relationship or execute any transaction before satisfying all CDD measures in accordance with the provisions stipulated herein.
- I/5 The bank may delay the CDD process until the business relationship is established, provided that CDD measures are immediately carried on thereafter to meet work progress requirements and that ML/TF risks are ultimately controlled.
- I/6 In the event where the bank initiates business relationship with a customer without being able to satisfy all the CDD measures, the said relationship should be terminated and should be reported to the FIU immediately in accordance with the procedures stated in item 'seventh'.
- I/7 The bank should periodically and within a maximum period of 5 years update the data on the customer identification, taking into consideration the risk level of the



customer. This period may be reduced based on the customer risk level. In case of any doubt about the accuracy of the data or the information or the customer itself, the customer should be requested to identify the beneficial owner and provide the bank with updated data on the latter in addition to the supporting documents.

Customer Identification Measures

The bank should keep the following documents as minimum requirements:-

2/1 Natural Person

Customer identification data include customer's full name, permanent address, telephone number, profession, work address and location, nationality, ID number for Qataris and residents (passport number for non-residents), date and place of birth, name and address of sponsor, purpose of business relationship, names and nationalities of representatives authorized to access the account.

2/2 Legal Entities

Customer identification data include legal entity's name (company/institution), CR data, type of activity, date and place of establishment, capital, names and nationalities of authorized signatories, telephone numbers, address, purpose of business relationship, expected size of business, name and address of individual institution's owner (in case of individual institution), names and addresses of joint partners in case of joint ventures, names and address of shareholders whose shares exceed 10% of the capital of shareholding companies.

Customer Identity Verification

3/1 Natural Person

Verify all data mentioned in item (fourth), paragraph 1/2 through obtaining and keeping a copy of the official documents signed and dated by the competent officer certifying them as true copy. Verify the permanent address through receiving for instance the latest electricity or telephone invoice. For self-employed people, the bank should obtain a copy of their professional license, and obtain supporting documents for legal representatives of incompetent persons (such as minors).

3/2 Legal Entity

Verify all data mentioned in item (fourth), paragraph 2/2 through obtaining and keeping a certified copy of their respective CR, memorandum of association, articles of association, ID of the owners and joint partners, shareholders who own more than 10% of the shareholding company capital, in addition to supporting documents of representatives authorized to access the account, such as official or banking power of attorney and their personal IDs.

Correspondent Banks

4/1 The bank should apply the CDD requirements with respect to correspondent banks upon establishment of any relationship with them, subject to the following requirements:



Not to initiate any relationship with shell banks or financial institutions that deal with shell banks.

Collect sufficient information about the correspondent bank in terms of nature of business, reputation and controls of the bank.

Evaluate the AML/CFT control systems and verify their effectiveness and adequacy.

Purpose of opening the account .

Main activities.

Verify that the correspondent bank is subject to effective supervision by supervisory authority.

Whether the bank has been subject or is subject to any investigation in relation to ML/FT transactions or any supervisory penalties in this regard.

4/2 The bank should apply the following procedures before initiating any business relation with any correspondent bank or financial institution:

Obtain the approval of the senior management before establishing the relationship.

Determine the respective responsibilities of the bank and the correspondent bank.

Document authentication.

Non Profit Organizations

The bank should not offer any financial services to non-profit organizations as charity, humanitarian, cooperative and vocational associations and societies, unless the following requirements are satisfied:

5/1 Obtain all Customer Identification data such as the name of the association or society, legal form, address of head office and branches, type of activity, date of establishment, names and nationalities of representatives authorized to access the account, telephone numbers, purpose of business relationship, source and use of funds, approval of competent authority of opening the account at the bank, and any other information required by the competent authority (Ministry of Labor, Ministry of Social Affairs or Qatar Charity).

5/2 Verify the presence and legal entity of the society or the association through information contained in its official documents.

5/3 Obtain supporting documents indicating the presence of an authorization issued by the association or the society to the persons authorized to access the account, and necessarily identify the representative in accordance with the customer identification measures provided for herein.

5/4 Monitor the transactions of charities and identify the future relationship nature, particularly the beneficial countries and organizations.

Reduced Due Diligence (RDD)

6/1 The bank may apply reduced CDD measures on the following customers:

Ministries, government authorities, and semi-government companies in the GCC



countries.

Financial institutions licensed by GCC countries.

Companies listed in the securities' markets across the GCC and which apply disclosure standards equivalent to those applied by DSM.

- 6/2 In the event where the amount of transaction(s) or related transaction(s) do not exceed (QR 75000), it may be sufficient to obtain the name and contacts of the customer.
- 6/3 A bank wishing to apply RDD measures must keep evidence on the customer classification, in accordance with item (fourth), paragraph 6/1 above.
- 6/4 RDD may not be applied on correspondent banks specified in item (fourth), paragraph 4.
- 6/5 RDD measures may not be applied in the event of any suspicions raised about the involvement of the customer or its representative in ML/TF transactions.

Enhanced Due Diligence (EDD) applied on high-risk customers:

Banks should apply EDD measures on high-risk customers, namely:

7/1 Non-resident customers

The following measures should be observed upon application of identification procedures:

Identify the purpose of the business relationship

Verify the validity of the entrance visa upon initiation of business

Obtain a copy of the ID

Obtain a copy of the memorandum of association in case of legal entity, certified by the competent authorities in the country of origin or the embassy of this country in the State of Qatar

Obtain a copy of the CR or registration documents certified by the competent authorities in the country of origin or the embassy of this country in the State of Qatar

7/2 Politically Exposed Persons (PEPs)

Obtain the approval of the management upon establishment of such relationship.

Obtain information identifying PEPs through details submitted directly by them or through any published or public information distributed through different media channels.

Upon application of special CDD on PEPs, identify the sources of his funds and wealth and the beneficial owner.

In the event where any of the current customers becomes PEP, this person should be classified under this category and the approval of the senior management should be obtained in terms of maintaining the business relationship with this person.

The bank should constantly and extensively monitor its relationship with those customers, provided that CDD measures applied on them include:-



The customer's file to include the following:-

Procedures taken to identify the wealth and source of funds

Nature of future relationship to be used in ongoing monitoring.

Evidence on the approval of the senior management to maintain the business relationship.

Supporting documents on the customer's income, source of funds, job position, address and verification of such information by referring to reliable and neutral sources.

Ongoing monitoring by the compliance officer.

7/3 Persons belonging to countries that do not apply the FATF recommendations appropriately:

Risks will be greater when the customer belongs to a country that is subject to sanctions imposed by the UN or a country that does not apply sufficient legislations in terms of combating money laundering and terrorist financing or which is known to be affected by criminal activities, such as drug trafficking.

Apply enhanced CDD on customers coming from those countries and constantly and accurately monitor their accounts.

7/4 Indirect Transactions

EDD measures should be applied on indirect transactions, including requesting authentication of documents submitted by the customer upon establishment of the business relationship.

Create direct communication channels with the customer and seek recommendation of a third party. However, compliance with the requirements specified herein is still the responsibility of the bank and not that of any third party.

7/5 Use of New Technologies

This includes electronic banking operations and prepaid cards. Sufficient policies and procedures should be applied to prevent their use in ML/TF.

EDD measures should be applied, including authentication of documents submitted by the customer upon establishment of the business relationship.

7/6 Private Banking Services

Drawing appropriate policies and analyzing the product risks, taking into consideration the nature of those services. Factors may include:

Determine the purpose of the private banking service application.

Development of the business relationship between the bank and the customer to whom the service is offered.

Monitoring of Transactions

The bank should establish appropriate control systems that fit the size and nature of its business in order to disclose any large and unusual transactions or unusual patterns of transactions, provided that this includes the ceiling, type and size of the transaction executed beyond the expected behavior. Ceilings should be defined for both cash and non-cash transactions. An auditing system should be equally established in order to



test the efficiency of the applied procedures.

Control systems should be able to identify the following:

Transactions with unclear purpose or unjustified economic conditions.

Significant or large transactions inconsistent with the normal behavior of the customer.

Unusual patterns of activities.

The bank (according to its size) should observe the need to automatically monitor the transactions, as part of the monitoring systems to spot unusual transactions.

The bank should verify the unusual transactions spotted by the monitoring systems in addition to examining the background and purpose of those transactions.

The bank should observe the changing circumstances of the customer's activities, particularly the unexpected or non-interpretative change.

The bank should take into consideration that the transaction risks are higher when the size, pattern or frequency of the transaction is not in conformity with the customer's activity nature.

Risk-Based Monitoring

The bank should lay down systems for the management of ML/TF risks, including the classification of customers based on risk generation under three categories (high risk, medium risk and low risk). Those categories should be revised on an annual basis or upon occurrence of any developments requiring taking of such measures. When applying classification, the bank should take into consideration the transactions risk, the customer risk, the geographical areas' risk and the products' risk.

Fifth: Wire Transfers

This item should apply on wire transfers exceeding QR 5000 or equivalent in foreign currencies, whether sent or received by the banks.

Outgoing Transfers

1/1 The bank should apply due diligence measures in terms of information to be obtained from the originator of outgoing transfers, including:

Name of originator

Account number or reference number in the absence of an account

ID and passport number

Address

Information of the beneficiary (name, address, account number, if any)

Purpose of the transfer

1/2 The bank should verify all the information in accordance with the procedures and measures stated herein, before sending any transfer.

1/3 In case of batch transfer, the issuing bank should include the account number or reference number of originator in the absence of any account in his name, provided that:

The bank maintains complete information about the originator as provided for in



item (fifth), paragraph 1.1

The bank is capable of providing the receiving bank with required information within three working days from the date of receiving any application in this regard.

The bank is capable of responding immediately to any order issued by the competent official authorities requesting access to this information.

- 1/4 The bank should ensure that non-routine transfers are not sent within any batch transfer under circumstances that may lead to increased ML/FT risks.

Incoming Transfers:

- 2/1 The bank should draw up effective systems to detect any missing information related to the originator (transfer applicant).
- 2/2 The bank should request the party originating the transfer to submit all missing information, and in the event where the originating party fails to do so, the bank should take appropriate actions based on the risk rating assessment, including the refusal of the transfer. The bank should consider this circumstance when evaluating the extent of suspicion about this transaction and refer it to the compliance officer in order to consider it and decide whether it is appropriate or not to report it to the FIU.

Obligations of Intermediary Bank

- 3/1 In the event where the bank performs its role as intermediary bank in the execution of the transfer, (i.e. it is not the issuing or receiving bank) the bank should keep all the information attached to the transfer.
- 3/2 If the bank fails to obtain the information attached to the transfer (for technical reasons), it should keep all the other information whether they are complete or not.
- 3/3 If the intermediary bank receives incomplete information about the originator, it should inform the receiving bank of any missing information upon performance of the transfer.

Sixth: Compliance Officer

The compliance officer should be responsible for following the AML/CFT procedures and his appointment and functions should be determined in accordance with the QCB instructions mentioned on pages no. (187 and 274).

The responsibilities of the compliance officer should at least include the following functions:

Receiving information and reports about unusual and suspicious transactions, inspecting them and taking appropriate decision whether to report them to FIU or keep them for justified reasons.

Reporting suspicious transactions

Maintaining all documents and reports received.



Preparing periodic reports about all unusual and suspicious transactions and submitting to the auditing committee in case of local bank or to the general administration in case of foreign bank.

Ensuring compliance with AML/CFT laws and regulations.

Ensuring compliance with the internal policies and procedures related to AML/CFT.

Drawing up on-going training plans and programs in the field of AML/CFT and maintaining the programs' records for 5 years at least. Records should include the names and qualifications of the trainees and the training party inside or outside Qatar.

Seventh: Reporting Procedures

The bank should draw up the procedures and controls to be observed by any employee or manager in case of any suspicions raised about any transaction or in case of reasonable circumstances to suspect that the funds are the proceeds of a criminal or illicit act or any act that is associated with ML/TF crimes. The procedures and controls should include the obligation to report immediately to the compliance officer, in accordance with the approved internal procedures, in addition to the disciplinary sanctions in case of any unjustified failure to report to the compliance officer.

If the compliance officer or his deputy find that the execution of any transaction is linked or may be linked to any crime or illicit act or to ML/TF offences, even if it is related to taxation matters, then they must report such transaction immediately to the FIU, in accordance to the adopted STR form.

The bank should report attempts of carrying out suspicious ML/FT transactions to the FIU, in accordance with the adopted STR form.

The members of the board of directors, the managers and the employees are prohibited from directly or indirectly disclosing, by any means, the reported suspicious transactions procedures or related information to customers or beneficial owners.

Eighth: Documents and Record Maintaining

Banks must keep all documents and records for a period of fifteen years at least, according to the following:

Regarding the accounts opened for natural persons or legal entities or other banks and financial institutions, documents and records related to those accounts should be kept for a period of fifteen years at least starting from the date of closing the account.

Regarding the transactions executed for customers that do not hold any account at the bank (occasional customers), documents and records related to any transaction should be kept for a period of fifteen years at least from the date of executing the transaction.

Regarding the unusual and suspicious transactions, records should be kept for a period of fifteen years at least or until a judgment or final decision is rendered with regard to the transaction, whichever is longer.

Regarding the training records, they are kept for 5 years.

Banks should update these data periodically and authorize the judicial authorities and



competent authorities entrusted with the enforcement of AML/CFT laws to have access to those documents and records.

Ninth: Training

The bank should prepare and execute ongoing training programs for its employees in order to raise their qualifications and experiences in the field of AML/CFT, taking into consideration that the programs include clarifications about the ML means, methods of discovering and reporting them, and how to deal with suspicious customers.

Tenth: Internal Systems and Controls

The bank should draw up appropriate systems covering the internal policies, procedures and controls in order to comply with and to limit the exposure of the bank to financial crimes with these regulations. Such regulations should be approved by the board of directors of the bank or the general administration of the foreign bank and they should be revised and updated on an annual basis and be available for QCB upon request.

Systems, controls and all associated policies and procedures should cover the customer acceptance standards, the ongoing monitoring of high-risk accounts, the employees training, and the procedures followed to screen job applications, to verify the qualification, reputation and criminal background of the applicants.

Eleventh: Internal and External Auditing

The internal auditing function should revise the effectiveness of the procedures and control systems applied in respect of AML/CFT on an annual basis, and this applies to banks and their branches and affiliates inside and outside Qatar. All appropriate actions should be taken to fill any gap or update and develop the said procedures and systems in an attempt to raise their effectiveness and adequacy.

The external auditor should, among other functions, ensure that the bank applies the regulations herein and verify the adequacy of the policies and procedures applied by the bank in this regard. It should also include the results in the management letter and inform QCB immediately of any major violation of these regulations.

Twelfth: Patterns of Suspicious Transactions

ML Stages: Money laundering occurs in three stages:

Placement: refers to the drug trafficker attempt to enter cash funds derived from illicit activities.

Layering: refers to the creation of complex networks of financial and banking transactions which attempt to obscure the link between the funds and the criminal sources.

Integration: refers to the return of funds to the legitimate economy where it becomes difficult to differentiate them from other legitimate funds.

Money Laundering through Cash Transactions:

It is performed through the following methods:



- 1/1 Large unusual cash deposits by individuals or companies with activities generated often through cheques or other instruments).
- 1/2 Large increase in the cash deposits of individuals or companies without clear justifications, especially if those deposits were transferred shortly after being deposited in the account to a party that is not connected to the customer.
- 1/3 Depositing cash funds through multiple deposit coupons, in such a manner that each deposit operation is performed separately in small amount and in an unnoticed way, but when calculated together the total deposits would reflect a huge amount.
- 1/4 Constant deposit operations to cover demands related to banking cheques, or financial transfers, or marketable instruments.
- 1/5 Attempts to replace smaller denomination currency notes with bigger denomination currency notes.
- 1/6 Branches showing cash transactions that exceed the usual limits, in accordance with the main positions' statistics
- 1/7 Large cash deposits through electronic deposit instruments, to avoid any direct contact with the officers of the banking and financial institutions.

Money Laundering through Banking Accounts

It is represented as follows:

- 2/1 Customers wishing to maintain a number of regular accounts and trust fund accounts while depositing large amounts of cash money in each of them, while the nature of their activity does not correspond to the size of amounts deposited.
- 2/2 Cash settlement between external payments (payment orders, transfers) and the customer's balances on the same or previous day.
- 2/3 Deposit of cheques in large amounts by third parties endorsed in favor of the customer.
- 2/4 Large cash withdrawals from an account that was previously inactive, or from an account which was fed from unexpected large amounts from outside.
- 2/5 Multiple deposits by a large number of individuals in one account, without any clear explanations or clarifications.

Money Laundering through financial transaction associated with investment activities

It is represented as follows:

- 3/1 Loan/deposit transactions with subsidiaries or affiliates of banks located or operating in areas known to be affected by drug trafficking.
- 3/2 Applications submitted by customers or portfolios to purchase or sell investment instruments or services (whether foreign currencies or financial instruments) with obscure source of funds, or sources that do not correspond with their apparent activity.
- 3/3 Large cash settlements of purchase and sale operations involving securities.



Money Laundering through international activities outside the borders of the country:
It is represented in the following forms:

- 4/1 Customer introduced to the bank by external financial institutions located in a country known to be affected by criminal drugs production and trafficking.
- 4/2 Customers paying /receiving regular large amounts in cash or by fax or telex transfer, without any indications to the legitimate sources of those funds, or customers connected with countries known to be affected by drugs production or trafficking or in relation with prohibited terrorist organizations, or countries offering opportunities for tax evasion.
- 4/3 Incoming or outgoing transfer operations executed by a customer without using any of his accounts at any bank.
- 4/4 Constant and regular withdrawal/deposit of cheques issued in foreign currencies or travel cheques in the account of the customer.

Thirteenth: Sanctions:

Without prejudice to any other more severe sanction stipulated in any other law, the sanctions provided for in the Law No. 33 of 2006 concerning the Qatar Central Bank should be applied to the violation of those regulations.

The present regulations should come into force as of the date hereof and any other conflicting regulations shall be null and void.

Circular no 244/2007 on 17/12/2007.

This item is amended by Circular 48/2007 on 1/4/2008.

Item no. (5/7) and (5/8) for foreign banks.

Circular no 157/2007 on 14/8/2007.

Note item 2/4 page 316.

Circular 164/2006 on 15/11/2006 (meeting of representatives of criminal investigation, economic crimes combating department, Ministry of interior) in 2/11/2006.

In the event where the originator of the transfer does not hold an account at the bank, the banks shall establish a system which gives the originator a distinctive reference number.



Section Two

Ministry of Economy and Commerce

Date: 28/12/1427 AH

Corresponding to: 17/01/2007 AD

Circular No. (2) of 2008

To all the insurance and reinsurance companies and the insurance brokers operating in Qatar

Peace be upon you, God's mercy and His blessings,

Subject: AML/CFT Procedures

After perusing the decree-law No. (1) of 1966 of supervision and control over the insurance companies and brokers and its amendments, Law No. (5) of 2002 of issuing the Commercial Companies Law and its amendments, Law No. (28) of 2002 concerning AML, amended by the decree-law No. (21) of 2003, Law No. (3) of 2004 concerning combating terrorism, The decree-law No. (32) of 2004 for regulating the Ministry of Economy and Commerce and determining its competences, the FATF recommendations for AML/CFT, According to the proposition of the work team formed in Ministry and concerned about AML/CFT.

And as it is the desire of the Ministry of Economy and Commerce in AML/CFT, the insurance and reinsurance companies as well as the insurance agencies operating in the State should take the following procedures:

First: Definitions:

1. **Ministry:** Ministry of Economy and Commerce.
2. **Insurance companies:** Qatari and foreign insurance and reinsurance companies and the insurance brokers who perform the different kinds of insurance and reinsurance transactions in Qatar
3. **ML:** any deposit or transfer or transaction of any finances, proceeding from illicit sources or suspected to be resulted from a crime of the crimes provided in the AML Law, shall be done through the insurance companies.
4. **TF:** each act aiming at supplying or gathering physical or financial aids, directly or indirectly, from legitimate or illegitimate sources, for any individual or society or authority or organization or group or band for executing or starting an individual or group, criminal project, the purpose committing it is terrorism, and the purpose is terrorism if the motive of using force or violence or threat



or intimidation is stalling the provisions of the constitution or the law or violating the public system or exposing the safety and security of the society to danger or harming the national unity, which leads or could lead to harming people or terrifying them or exposing their life or freedom or security to danger, or harming the environment or the public health or the national economy, or the facilities or establishments or public or private properties or laying hold of them or hindering the performance of their works, or prohibiting or hindering the public authorities from performing their works.

5. **Customer:** any natural or legal person dealing with any insurance company.
6. **Committee:** is the National Committee for AML/CFT established under the provisions of article (8) of the Law No. (28) of 2002 for AML.
7. **FIU:** is the unit deriving from the National Committee for AML/CFT and located in the Qatar Central Bank.
8. **Unusual Insurance Transactions:** all kinds of insurance transactions provided by the insurance companies for their customers such as fire insurance and the insurances usually accompanying it as well as the land, sea, air, etc... transportation insurance.
9. **Unusual Insurance Transactions:** are the insurance transactions of large-scale amounts, that are inconsistent with the customer's income or nature of his work, or that are inconsistent with his previous transactions with the insurance companies, or those which the customer repeat in a suspicious and doubtful way and those instructions for which there are no clear intentions or legitimate purposes.
10. **Suspicious Transactions:** are the insurance transactions suspected to be related to the ML and TF crimes.
11. **Follow up Official:** is a person responsible for AML/CFT, appointed by the insurance companies in the headquarters. His duties are following up the execution of instructions issued for the company in the AML/CFT field at all the departments and branches of these companies as well as notifying the FIU of the suspicious transactions. In order to be appointed, the official should be competent and experienced and authorize the administrative authorities that enable him to perform his job independently and be responsible to the FIU upon executing his duties and competences.

Second: AML/CFT Instructions

I. ID Identifications

I/I Insurance Companies

All the insurance companies operating in Qatar must establish the systems that allow obtaining the data of knowing the identity and the legal status of the customers (or their representatives) and real beneficiaries



from the natural and legal persons; inquiring about their validity in a way that meets with the “know your customer” principle regarding the insurance applications submitted by anyone of the customers, through official proof means with the registration of the data of this knowing, taking into consideration in particular the following:

I/1/1. The insurance companies should not execute the insurance applications for the persons with anonymous or fictitious or illusionary identity.

I/1/2. Taking into consideration that the insurance applications are received in the company’s unified forms at all its branches, which should be met and signed by the customers. The company should verify the validity of and adopt these data according to the submitted original documents. In the event of obtaining the insurance allocations by other means such as the facsimile or the internet the suitable and necessary procedures for verifying the validity of these applications and fulfillment according to the necessary legal terms.

I/1/3. Taking into consideration that the insurance application forms comprise detailed data for the customer’s full name, signature, date and place of birth, nationality, number of the proof of identity, the current and permanent address of the real residence, including the postal code, phone number, facsimile number, e-mail address, work address, profession, the data of his current account at the bank from which the document’s installments are paid (if present). Moreover, those forms also include the nature of the relation between the customer and the beneficiary as well as any other information the company deems necessary to be added.

Provided that in the case of the legal persons the form includes the following additional data:

I/1/3/1. the legal form and the nature of the activity.

I/1/3/2. the person authorized to sign on behalf of the legal person.

I/1/2/3. the names and addresses of the partners in the companies of the individuals.

I/1/3/4. the names and addresses of the shareholders each of whom possesses more than 10% of the capital of the company in the cases of the funds companies.

I/1/4. Perusal of the original documents by the competent employee and the obtainment of a copy of them as well as confirming that it is a true copy of the original documents, and verifying the validity of the presented data according to the following:

I/1/4/1. The natural persons and their representatives:

I/1/4/1/1. The official document for verifying the personality, which is adopted in Qatar.



- I/1/4/1/2. Regarding the incompetent persons - such as the minority – the documents indicating their representatives by law in transactions should be fulfilled.
- I/1/4/1/3. The necessary documents for authorizing the persons the customer authorizes them to deal on his behalf, and their data.
- I/1/4/2. Legal Persons
- I/1/4/2/1. The establishment documents proving the verification of the presence of the legal person, the validity of his legal status and his conduct of the activity, particularly the commercial register and the tax card.
- I/1/4/2/2. The documents indicating the presence of an authorization from the legal person or the natural persons representing him, and his documents.
- I/1/4/2/3. Regarding the non-profit societies, the documents indicating their establishment and nature of activity shall be fulfilled.
- I/1/5. Establishing the necessary systems and procedures for accepting the customers, lending special care for the following customers, according to the data and information available for the company upon the execution of the insurance applications and to the determination of the appropriate administrative level for dealing with them. Examples of those customers are:
- I/1/5/1. The customers of political influence from foreign countries (PEPs) such as the Prime Ministers, the current and previous ministers, the members of parliaments, the members of the ruling families, the military leaders, their families and the persons who have business relations with them or with their families.
- I/1/5/1/1. The insurance companies should establish systems suitable for risk management for determining whether the customer, upon the beginning of the insurance transaction or thereafter, was a PEP or not, and they should use all the data and information available for the public or present in the commercial databases on the PEPs.
- I/1/5/1/2. It is necessary to obtain the approval of the senior management of the company for starting a business relation with a PEP before accepting him as a customer in it.
- I/1/5/1/3. Keeping the procedures taken for determining the source of the fortune and finances of those customers in the customer's file.
- I/1/5/1/4. The executive management should monitor the business relation with those persons in a continuous and enhanced way.
- I/1/5/1/5. The insurance companies should whenever they accept a customer and discovered thereafter that the customer is a PEP take the following procedures:



- 1/1/5/1/5/1. Analyze all of their complicated financial transactions including their loans, payments and international business relations.
- 1/1/5/1/5/2. Obtaining the approval of the senior management for continuing the business relation with them.
- 1/1/5/2. Paying the insurance installments from accounts the customers keep in countries that have no legislative and monitoring systems in the AML/CFT, or that these systems are incompatible with the FATF standards and recommendations.
- 1/1/5/3. The customers performing activities related to the luxury goods such as jewelry, gold, cars, antiques, dealing in real estate, financial leasing, casinos and filmmaking and cinema.
- 1/1/5/4. The customers who travel consistently to countries famous in trafficking or cultivating drugs.
- 1/1/5/5. The customers who do not care about the insurance price or the commissions or others of the insurance coverage costs.
- 1/1/6. All the insurance companies should take the following into consideration upon accepting the insurance applications:
 - 1/1/6/1. Availability of the insurance interest between the customer and the beneficiary while lending a special care for the large-scale insurance transactions and those that have no clear economical or legal purpose.
 - 1/1/6/2. Taking the necessary and accurate, technical rules in the subscription and price fixing.
- 1/1/7 Lending a special care for the following insurance transactions:
 - 1/1/7/1. Insurance policies for the persons and formation of funds:
 - 1/1/7/1/1. Life insurance policies related to the investment units.
 - 1/1/7/1/2. One-installment policies especially if the installment was big.
 - 1/1/7/1/3. Salary installments.
 - 1/1/7/1/4. Endowment insurance policies.
 - 1/1/7/1/5. Funds formation policies.
 - 1/1/7/1/6. Suspicious cases especially in the early liquidation.
 - 1/1/7/2. Properties insurance policies:
 - 1/1/7/2/1. Engineering insurance policies.
 - 1/1/7/2/2. Hull insurance policies or on the devices or duties or merchandise, and everything related to the ship.
 - 1/1/7/2/3. Insurance policies on airplanes or their equipments, duties or merchandise, and everything related to it.
- 1/1/8. All insurance companies should update the information and documents submitted about the insurance applications regularly, each three years at most or upon the presence of other reasons requiring that.
- 1/1/9. Upon performing insurance policies for the persons living abroad,



it is necessary to obtain all the data related to those customers through the documents and the evidence means provided in clause (second/1/1).

1/2. Reinsurance Companies:

1/2/1. The reinsurance companies should make sure that the insurance companies comply with the proper subscription principles, take all the procedures mentioned in clause (second/1/1) for knowing the customers' identity, in case the reinsurance companies did not, and implement the same procedures in terms of the transactions they receive from inside or outside the State of Qatar, for AML/CFT.

1/2/2. Lending a special care for verifying the legal status and the validity of the financial center for all the commercial companies dealt with.

1/3. Insurance Brokers:

Without prejudice to the provisions provided in clauses (second/1/1 – second/1/2), the insurance and reinsurance companies should take into consideration the following:

1/3/1. Issuing controls for the insurance brokers, prohibiting the insurance broker from brokering in the insurance and reinsurance transactions suspected of ML/TF.

1/3/2. If the insurance or reinsurance transactions were done inside Qatar through brokers, this should not occur except through the brokers registered in the Ministry of Economy and Commerce.

1/3/3. Not accepting the payment of the insurance installment from the account of one of the charge d'affaires of the agency.

1/3/4. The importance of inquiring about the insurance broker who is paying the insurance installment.

2. Notifying about the Transactions Suspected to be Related to ML/TF

1/2. The insurance companies should appoint one of the officials of the senior management a "follow up official" to notify the FIU of the transactions suspected to be including ML/TF, and whoever replaces him while he is absent while notifying the FIU in case of changing one of them.

2/2. The insurance companies should prepare for the follow up official everything that enables him to start his competences independently, as well as what ensures the preservation of the secrecy of the information he receives and the procedures he performs. For this purpose, he may peruse the documents, records and statements that enable him to perform his duties.



3/2. The follow up official should check the unusual transactions whether those that the company enables providing them for him or those he receives from the company's workers, accompanied with the reasons justifying them or those he receives from any other authority.

4/2. In the event of suspecting any insurance transaction, especially the unusual one, the follow up official for the purpose of eliminating suspicion of ML/TF should ask the customer the justifying and supporting the legality of this transaction.

Provided that these procedures are performed within the scope of the usual procedures of the company with the customers, without notifying the customer that the procedures are related to AML/CFT.

5/2. In case the customer does not respond to the request of the follow up official or the suspicion of ML/TF, the company should notify the FIU of a report on this insurance transaction attached with all the data and the copies of the documents related to these transactions, in which the person performing them and its sides; the reasons of suspicion; the procedures taken by the company before the transaction, their performer and sides.

6/2. Establishing the procedures needed for executing the judgments and the preservation decisions issued by the Governor of Qatar Central Bank or the prosecutor or the criminal court competent in terms of funds or other assets suspected to be related to the ML/TF crimes.

7/2. If the follow up official finds that there is nothing suspicious regarding the transactions suspected of including ML/TF, he should the decisions concerning preserving them while showing the reasons he referred to in this regard.

8/2. It is prohibited to disclose for the customer or for his representative or the beneficiary or other than the authorities and competent sides implementing the provisions of the AML Law of any of the notification procedures taken about the financial transactions suspected of including ML/TF or the data related to them.

9/2. A special care should be taken upon the inspection of the business relations and the transactions of companies from countries that do not abide by the AML/CFT standards, or their abidance by those standards is insufficient, especially when there are no clear objectives for these transactions, where the background and objectives of such transactions should be checked, and a report should be submitted to the senior management about them.

10/2. The follow up official should prepare a quarterly report on the forms of his activity and his evaluation of the AML/CFT systems and procedures in the company; on the unusual and suspicious transactions and what has



been taken about them, accompanied by the propositions he deems suitable in this regard. This report shall be submitted to the Board of Directors of the company for commenting on it and taking the procedures it decided. It shall be sent to the FIU accompanied with the notes and decisions of the Board of Directors. In addition, a copy of it shall be sent to the Ministry of Economy and Commerce.

3. Recording and Documentation

- 3/1. All insurance companies should keep the documents and records they are committed to keep, provided they include the records of determining the customer's ID, the issued insurance policies and the reinsurance contracts for a period not less than 10 years after the end of the validity of the document or the reinsurance contract.
- 3/2. The insurance companies should update these details periodically and put these documents and records under the disposal of the judiciary authorities and the authorities competent in implementing the provisions of the AML Law upon their request.
- 3/3. The insurance companies should keep copies of the notifications, data and documents related to the transactions suspected of including ML/TF, in private records kept for a period not less than 10 years starting from the beginning of the insurance transaction until rendering of a decision from the Public Prosecution or of a final judgment concerning the transaction, whichever comes later.

4. Training

All insurance companies should prepare and execute continuous training programs for their workers especially the workers concerned about the subscription and compensations in the insurance transactions for increasing their competence in the accurate compliance with executing these controls, while ensuring that those programs include the ML/TF methods; the way of discovering and reporting them; the way of dealing with the suspicious customers while keeping the records for all the training programs that occurred during a period not less than 5 years, provided that they include the names of the trainees, their qualifications and the authority that performed the training whether inside or outside, while coordination completely about the scientific and applied materials for the training programs with the Committee in light of the developments on the local, regional and international level.



5. Bylaws

Each insurance company should establish the suitable bylaws for the proper implementation of the controls while reviewing these systems periodically for discovering their weaknesses or the extent of the compliance with them, and take the necessary procedures to avoid them while informing the Ministry of Economy and Commerce of these systems provided that the following are taken into consideration:

- 5/1. The ability of those systems to discover the transactions which are inconsistent with the size and nature of the customer's activity or which occur with suspicious customers.
- 5/2. That each unusual transaction the value of which exceeds certain limits determined by the company's administration is monitored by the follow up official.
- 5/3. Complying with establishing a work bylaw through which it is possible to know the customers and verify their basic data, provided that this is done through an accurate database easily referred to.
- 5/4. The control procedures and systems that ensure verifying the non-performance of any financial transfers unofficially should be established, and details of the transfer amount, the beneficiary (name, place of residence and activity) as well as the person or authority that made the transfer should be kept.
- 5/5. The insurance companies should oblige the branches affiliated with them and those operating abroad to apply those standards to the extent the systems and laws in effect in the countries in which they operate allow. Moreover, these companies should inform the FIU for expressing its opinion concerning those branches that operate in countries the laws of which hinder the implementation of the previously mentioned standards.
- 5/6. The periodical inspection operations should be done on a quarter year basis for assuring that the data and documents related to the insurance transactions are updated, while lending a special care for settling the compensations and the inspection experts' reports as well as paying the insurance transactions' installments and the cash transfers occurring by the modern technologies.
- 5/7. The importance of the commitment of the companies not to authorize the same expert who did the inspection during the subscription to do the estimation upon request in case of an accident.
- 5/8. The insurance companies should issue controls for the inspection and damage estimation experts to prohibit colluding with the customer or using twisted methods whether upon the evaluation of the risk which will be insured or upon the evaluation of the request.



5/9. The instructions issued by the FATF, the MENAFATF and the control authorities inside the State of Qatar should be resorted to for knowing the patterns of the insurance transactions and other behavior suspected of being in relation with ML/TF.

6. Insurance Companies' Responsibility

6/1. The insurance companies and their employees shall be legally and directly responsible about their non-compliance with the execution of the provisions of this circular.

6/2. With no prejudice to any severer punishment provided by another law, the insurance companies shall be punished on violating the provisions of this circular under the provisions of the decree under the Law No. (1) of 1966 with supervision and control over the insurance companies and agencies and its amendments, the Law No. (5) of 2002 with issuing the commercial companies law and its amendments, Law No. (28) of 2002 concerning the AML, amended under the decree under the Law NO. (21) of 2003.

7. Effectiveness

The provisions of this circular shall be applied as of the date of being issued, and everything that contradicts with its provisions shall be cancelled.

Through visiting the insurance companies, the work group of the Ministry will detect the AML/CFT systems and procedures they apply in order to verify the complete compliance with the instructions of the Ministry in this respect.

Mohammed Hasan Alsaadi

Assistant Undersecretary

Supervisor of the Commercial Affairs Department

Issued on 23/3/2008



Circular No. (3) of 2008

To all corporations and companies dealing with precious stones, in the state of Qatar.

Peace be upon you, God's mercy and His blessings,

Subject: The AML/CFT Procedures

After reviewing law No (4) for the year 1978 concerning, the control of precious stones and their examination and stamping, with its amendments

And the law No (5) for the year 2002, concerning the law of commerce and its amendments

And the law No (28) for the year 2002, concerning the AML, amended by decree No (21) for the year 2003

And the law No (3) for the year 2004, concerning counter-terrorism.

And the decree by law No (32) for the year 2004 stating the establishment of the ministry of trade and economy, and specifying its tasks

And the recommendations of FATF (AML/CFT)

And the suggestion of the task force, formed in the ministry and tasked with AML/CFT

And since the ministry of trade and economy is determined for AML/CFT, the corporations and companies that deal with precious stones are to take the following procedures:

First: Definitions:

Ministry: the ministry of trade and economy

Corporate and companies: the Qatari corporations and companies that deal with precious stones.

ML: every deposit, transfer or transaction of money gained from illegal/suspected sources, run by corporate or companies

TF: every act, meant for providing or collecting material or financial aids, whether directly or indirectly, from legal/illegal resources for any individual, association, entity, organization, group or gang to execute a criminal plan whether individually or collectively in which object includes terrorism. Terrorist object is when the motive of using force, violence, threatening or intimidation is impeding the constitution or the law or the general order, or compromising the safety and the security of the community and damaging the national unity, which leads or cause harm to people, terrorizing them or jeopardizing their lives and freedom or damaging the environment, public health, national economy or occupying the public utilities or the private and public properties and obstructing the tasks of the public authorities.

Customer: any legal or natural person dealing with corporations and companies.

The committee: is the national committee for AML/CFT according to the stipula-



tion of article (8) of law No (28) for the year 2002 concerning AML.

FIU: is the unit emerging from the national committee for AML/CFT, which is headquartered in Qatar national bank.

Usual precious stones commercial transactions: all kinds of transactions that are offered by a corporation or a company to its costumers concerning trading in precious stones , such as trading in silver, gold, pearl and precious stones jewelry, in addition to trading in raw or manufactured gold and precious stones, fixing jewelry etc.

Unusual precious stones commercial transactions: transactions that involve large sums of money that out match the income of the costumer or the nature of his activities or that don't match his previous transactions or that are suspiciously frequent , as well as those which lack clear object or legal purposes.

Suspicious transactions: are the transactions suspected with having some connections with ML and/or TF.

Follow up officer: is the person in charge for AML/CFT efforts, appointed by the corporations and the companies in the main center and tasked with following up the instructions issued to the corporation or the company regarding ML and TF with all the administrations and the branches of these corporations and companies, and reporting to the FIU about the suspicious transactions. To be appointed, this person should be qualified and experienced and should be endowed with all the administrative authorities so as to be able to perform his duties in total independency. He should be accountable for his duties by the FIU.

Second: AML/CFT Instructions

I: ID. Identifications

All the corporations and the companies working in Qatar are to make regulations that ensure acquiring statements that identify the ID, the legal situation of the costumers (or their representatives)and the true beneficiaries from the natural and legal persons and checking their truthfulness in a way that applies the “know your customer” principle on the orders submitted by any of the costumers through official recognition means with recording the statements of this recognition, taking into consideration, especially the following:

- 1/1.The corporations and the companies should not accept orders from unknown persons or from persons with bogus or unauthentic names.
- 1/2.To ensure that the orders are received by the institution or the company and its branches on signed –by costumer uniformed applications. The corporation or the company should check these statements and accept it according to the original submitted documents. In case of receiving these orders by other means such as the fax or the internet, appropriate measures should be taken to validating the legality of them.



I/3. To make sure that these statements are detailed with the full name of the customer name, the signature, the date and the place of birth, nationality, ID number. Current and original address with the P.O. Box, the phone number, the fax number, the e-mail. The work address, the profession, the statements of his bank account from which the payments for the transaction (if available) come. The statements should, also, include the nature of the relation between the customer and the beneficiary and any other information deemed necessary by the corporation or the company.

As long as the statements (in case of legal persons) include the additional information:

The legal form and the nature of activity

The authorized representative of the legal person

The names and the addresses of the partners, in case of partnership company

The names and addresses of the shareholders who own more than 10% of the capital in case of finance company.

I/4. To review the original documents by the appointed officer and to keep a signed transcript after verifying the submitted statements according to the following:

The natural persons or their representatives:

The adopted official ID in Qatar

The legal representatives of the minors

The necessary authorization documents for the persons appointed by the customer and their statements.

The legal persons:

The initial documents that prove the verification of the legal person and its legality and activities, especially the register and the tax card.

The authorization documents issued by the legal person for his natural representatives and its statements.

As for the charitable societies, to acquire the documents of association and the activities.

I/5. To make the necessary regulations and procedures for accepting customers , with lending special care for the following customers –according to the documents and information available for the corporate and the companies during the execution of the orders – and defining the appropriate administrative level for dealing with them. Examples of those customers are:

The foreigner (PEP) customers –PEPs- such as : prime ministers, current and former ministers, PM members, the royalties, the military leaders and their families, and the persons who have business relations with them or their families.

Corporations and companies should adopt adequate risk assessment systems in order to determine whether the customer, at the beginning of the transaction or later, is PEP.



They should use all the available public statements and information or those available in commercial databases regarding PEPs.

The necessity of acquiring approval from the senior management before initiating a business relation with PEP.

To record in customer folder the steps taken to determine the source of those customers funds.

The executive management of the corporate and companies should, continuously and intensively, monitor the business relations with those customers.

In case of the acceptance of a customer only to be found PEP later, the corporations and companies should take the following measures:

Analyzing all their complicated financial transactions, including loans, payments and international transactions.

Acquiring the senior management approval on carry on with business relation.

Payment for transactions fees by the customers, from overseas accounts within countries in which no legislations or control over the transactions of ML and TF, or legislations that don't match the criteria and the recommendations issued by FATF.

The customers who usually deal with fancy products such as jewelry, gold, cars, master-pieces, real estates, hire-funding, casinos and movie making.

Customers who frequent countries known trading or planting drugs.

Customers who don't care for fees or transaction cost.

When accepting orders, all corporations and companies should take into consideration the following:

The availability of the interest between the customer and the beneficiary, with paying special attention for big transactions and the transactions with no clear legal or economic objective

To adopt the necessary accurate technical rules in determining the prices.

Giving special attention to the following transactions:

Irregular transactions which result in:

Surprising profits

Surprising losses

Suspicious cases, especially early liquidation

Accidental transactions that exceed eighty five thousand R. or the equivalent in foreign currency

Corporations and companies should periodically update the submitted information and statements regarding accounting demands, every three years at outmost or whenever deemed necessary.

When performing transactions for those who live abroad, all the statements relating to the identity of those customers must be obtained through the documents and the verification means stipulated in article(1.2)

Reporting transactions suspected with having connection to ML and TF

Corporations and companies should appoint a senior management officer and his



deputy as ‘follow up officer’ to notify the FIU about the transactions suspected with including ML and TF. The FIU should also be notified in case of replacing any of these officers.

Corporations and companies should grant the follow up officer the necessary authorization so as to be able to initiate his tasks independently, and to preserve the secrecy of the oncoming information and the performed procedures. He should also be entitled to examine the related documents, records and statements.

The follow up officer should examine the unusual transactions, either those directly available by the corporation systems or those submitted by the staff associated with justifications, or those which come from elsewhere.

In order to eliminate the doubt in case of suspicion in any transaction, especially the unusual ones, the follow up officer should ask the customer to submit the justifying documents and/or those that support the legality of the transaction.

These procedures should be conducted within the context of the normal procedures that take place between the corporations and companies, and their customers. The customer should not be aware of the connection between these procedures and the AML/CFT.

In case the customer refused to comply with the request of the follow up officer, or the charge with ML or TF was confirmed, the corporations and the companies should report this transaction to the FIU based on the form prepared by the unit for this purpose and associated with all the statements and the related copies, detailing the concerned parties, the reason for suspicion and the procedures taken by the corporations and the companies toward the transaction and its parties.

To set up the necessary procedures for a quick implementation of the judicial judgments and the receiverships issued by the governor of the bank of Qatar, or the criminal court specialized in the funds or the other assets that are connected to the crimes of ML and TF.

Should the follow up officer find no suspicion about the transactions previously suspected for having connections with ML and TF, it would be up to him to preserve it with detailed reasons for his decisions

The notification procedures taken about the suspicious transaction or its related statement should not be disclosed to the customer, his representative or beneficiary, or to any parties other than the authorities or the entities tasked with implementing the provisions of the ML law.

A special care should be lent when examining the business relations and the transactions relating to countries that do not comply to the criteria of AML/CFT, or they don't have sufficient compliance, especially in case of unavailable clear objectives for these transactions, whereby the background and the objectives of such transactions should be examined carefully and reported to the senior management of the corporation or the company.

The follow up officer should prepare a quarterly report about his activities and his evaluation of the systems and the procedures of the AML/CFT in the corporation or the company, the unusual or suspicious transactions and the taken procedures associated with his recommendations. This report should be submitted to owner of the corpora-



tion or to board of the company to state the remarks and the decided procedures, and sent afterward to the FIU associated with the remarks and the decisions and a copy to the ministry of trade and economy.

3: Recording and Documentation

- 3/1. All corporations and companies should keep the required documents and records. These should include the records of customer identification and the documents of the delivered transactions, for no less than ten years after the expiry of these documents.
- 3/2. The corporations and companies should update these documents periodically and put them under the disposal of the judicial authorities and the parties concerned with implementing the provisions of the AML law upon request.
- 3/3. The corporations and companies should keep copies of the notifications, statements and documents suspected with having connections with ML and TF, in special records. These should be kept for no less than ten years starting from the beginning of the transaction to the decision of the attorney general or the issuance of a final judicial judgment, whichever comes later.

4: Training

All corporations and companies should prepare and execute continuous training programs for their employees, namely those who are tasked with communicating with customers, in order to increase their efficiency in accurate commitment to these controls, with lending special care for these programs to include the means of ML, TF, the ways of discovering and reporting them and the ways of dealing with suspected customers, in addition to keeping records about all the performed training programs during no less than five years as long as they include the names of the trainees and their qualifications, and the trainer party—whether inside or outside—with full coordination with the committee about the scientific and applicative matters of the training programs, in the light of updates on the local and the international level.

5. Bylaws

Each institution or company should establish the suitable bylaws for the proper implementation of the controls while reviewing these systems periodically for discovering their weaknesses or the extent of the compliance with them, and take the necessary procedures to avoid them while informing the Ministry of Economy and Commerce of these systems provided that the following are taken into consideration:

- 5/1. The ability of those systems to discover the transactions which are inconsistent with the size and nature of the customer's activity or which occur with suspicious customers.



- 5/2. That each unusual transaction the value of which exceeds certain limits determined by the company's administration is monitored by the follow up official.
- 5/3. Complying with establishing a work bylaw through which it is possible to know the customers and verify their basic data, provided that this is done through an accurate database easily referred to.
- 5/4. The control procedures and systems that ensure verifying the non-performance of any financial transfers unofficially should be established, and details of the transfer amount, the beneficiary (name, place of residence and activity) as well as the person or authority that made the transfer should be kept.
- 5/5. The institutions and companies should oblige the branches affiliated with them and those operating abroad to apply those standards to the extent the systems and laws in effect in the countries in which they operate allow.
Moreover, these institutions and companies should inform the FIU for expressing its opinion concerning those branches that operate in countries the laws of which hinder the implementation of the previously mentioned standards.
- 5/6. The periodical inspection operations should be done on a quarter year basis for assuring that the data and documents related to the insurance transactions are updated, while lending a special care for settling the compensations and the inspection experts' reports as well as paying the insurance transactions' installments and the cash transfers occurring by the modern technologies.
- 5/7. The institutions and companies should issue controls for the inspection and damage estimation experts to prohibit colluding with the customer or using twisted methods whether upon the evaluation of the risk which will be insured or upon the evaluation of the request.
- 5/8. The instructions issued by the FATF, the MENAFATF and the control authorities inside the State of Qatar should be resorted to for knowing the patterns of the insurance transactions and other behavior suspected of being in relation with ML/TF.

6. Firm and Institutions' Responsibility

- 6/1. The institutions and companies and their employees shall be legally and directly responsible about their non-compliance with the execution of the provisions of this circular.
- 6/2. With no prejudice to any severer punishment provided by another law, the insurance companies shall be punished on violating the provisions of this circular under the provisions of the decree under the Law No. (1) of 1966 with supervision and control over the insurance companies and agencies and its amendments, the Law No. (5) of 2002 with issuing the commercial companies law and its amendments, Law No. (28) of 2002 concerning the AML, amended under the decree under the Law NO. (21) of 2003.



7. Effectiveness

The provisions of this circular shall be applied as of the date of being issued, and everything that contradicts with its provisions shall be cancelled.

Through visiting the institutions and companies, the work group of the Ministry will detect the AML/CFT systems and procedures they apply in order to verify the complete compliance with the instructions of the Ministry in this respect.

Mohammed Hasan Alsaadi

Assistant Undersecretary

Supervisor of the Commercial Affairs Department

Issued on 9/4/2008

Circular No. (4) of 2008

To all the firms and companies working in account auditing and review in the State of Qatar

Peace be upon you, God's mercy and His blessings,

Subject: AML/CFT Procedures

Having perused law No. 5 of year 2002 to issue the commercial companies law, and its amendments,

Law No. 28 of year 2002 regarding the AML amended by decree law N. 21 of year 2003,

Law No. 3 of year 2004 regarding the combating of terrorism,

Law No. 30 of year 2004 to organize the profession of auditing,

Decree law No. 32 of year 2004 to organize the Ministry of Economy and Commerce and to determine the competences thereof,

The recommendations issued by the Financial Action Task Force to combat money laundering and terrorism financing,

Pursuant to the proposal of the Task Force formed at the ministry and charged with AML/CFT,

And since the Ministry of Economy and Commerce wishes to combat money laundering and terrorism financing, the firms and companies working in account auditing and control in the State shall take the following actions:

First: Definitions:

1/ **The Ministry:** the Ministry of Economy and Commerce

2/ **Firms and companies:** Qatari firms and companies, international accounting firms licensed to practice the profession of account auditing and reviewing con-



- ducted by the certified accountant.
- 3/ **ML:** Any deposit, transfer or transaction in relation to any funds proceeded from illegal sources or which sources are suspected, made through the firms and the companies.
 - 4/ **TF:** Any act meant to extend or collect material or financial aids, whether directly or indirectly, from legal or illegal sources, to any individual, association, body, organization, group or gang, in order to execute or initiate an individual or a collective criminal plan, the purpose for which it is committed is a terrorist. The purpose is terrorist if the motive to use force, violence or threat is to stall the provisions of the constitution or the law or to violate the public order or to threaten the safety and security of the society, or to harm the national unity, which causes or would cause people to be hurt, terrorized or which threaten their lives, freedom or security, or which may cause damage to the environment, public health, national economy, public or private facilities, establishments, or properties or to seize the same or hinder the performance of their business or to prevent or hinder the general authorities from conducting their business.
 - 5/ **The customer:** any natural or legal person who deals with any of the firms or companies.
 - 6/ **The commission:** The National Commission for AML/CFT established under article 8 of law No. 28 of year 2002 regarding the AML/CFT
 - 7/ **FIU:** it is the unit which is derived from the National Commission for AML/CFT and which is established at Qatar Central Bank.
 - 8/ **Usual accounting operations:** all types of accounting operations provided by the firms and companies to their customers, such as reviewing and auditing financial accounts, stating opinions in this regard as per the principles of the profession, providing expertise, consultation and studies in financial, economical, administrative and tax fields and liquidation works, according to the provisions of the laws in force, and any other tasks provided for by the laws in force.
 - 9/ **Unusual accounting operations:** they are the accounting transactions which involve large amounts of money and which are inconsistent with the customer's income or the nature of his business or which are not in line with his previous transactions with the firms and companies or which are repeated by the customer in a way that gives rise to suspicion and doubt, and those which have no clear intentions or legitimate purposes.
 - 10/ **Suspicious transactions:** accounting transactions suspected to be related to the crimes of money laundering and financing of terrorism.
 - 11/ **Follow/up officer:** a person in charge of AML/CFT, who is appointed by the insurance companies at the headquarters. He is entrusted with the tasks of following – up the execution of the instructions issued to the company with regard to the AML/CFT at all the departments and branches of such companies and reporting suspicious transactions to the FIU. His appointment depends on his competence and experience and he shall be granted adequate administrative powers which en-



able him to perform his job independently. He shall be liable to the FIU for the execution of his tasks and competences.

Second: AML/CFT Instructions

ID Identifications:

All the firms and companies operating in the State of Qatar shall establish the regulations through which data related to the identity and the legal status of the customers (or their delegates) and the real beneficiaries, being natural or legal persons can be obtained and through which the accuracy thereof can be verified, in a way that fulfills the requirements of the principle “know your customer”, concerning the accounting requests submitted by any of the customers, through official means of evidence, along with registering the particulars of such identification. The following shall be observed in this regard:

The firms and companies must not execute accounting requests for unidentified persons or persons with fictitious or false names.

Accounting requests must be received on uniform forms supplied by the firm or the company at all its branches and which the customers must fill and sign. The firm or company must verify the accuracy of such data and approve the same according to the original submitted documents. In the event where the accounting requests are received through means other than fax or internet, the appropriate and necessary actions to verify the authenticity of such requests and the fulfillment thereof according to the necessary legal conditions shall be taken.

The accounting request forms shall contain detailed particulars, containing the customer’s full name, signature, date and place of birth, nationality, identity verification number, current and permanent address of residence, including the postal number, telephone number, fax number and email address, the office address, the profession, data regarding his current account at the bank from which the transactions (if any) fees are paid. Such forms also include the nature of the relationship between the customer and the beneficiary and any other information the firm or the company deems it appropriate to add.

Provided that, in the case of legal persons, the form shall contain the following additional data:

- 1/3/1 Legal status and nature of activity
- 1/3/2 Person authorized to sign on behalf of the legal person
- 1/3/3 Names and addresses of the partners in the persons companies.
- 1/3/4 Names and addresses of shareholders, where the ownership of each



exceeds 10% of the capital of the company in the cases of associations of money.

1/4 Perusing the original documents by the competent officer and obtaining a copy thereof along with the signature confirming that it is a true copy of the original documents, while verifying the accuracy of the data submitted as per the following:

1/4/1 The natural persons and their representatives:

1/4/1/1 The official document to verify the identity and which is approved inside the State of Qatar.

1/4/1/2 As to the incapacitated persons, such as minors, the documents stating their legal representatives in dealing shall be submitted .

1/4/1/3 The necessary documents to authorize the persons who are authorized by the customer to act on his behalf, as well as the particulars related to them.

1/4/2 Legal persons:

1/4/2/1 The documents of incorporation which prove the verification of the existence of the legal person and the soundness of its legal status and his conduct of business and in particular, the commercial register and the tax card

1/4/2/2 The documents showing the authorization by the legal person to the natural person or persons who represent it and the particulars related to it.

1/4/2/3 As to the non/profit associations, the documents indicating its incorporation and the nature of its activity shall be submitted.

1/5 Setting the regulations and procedures which are necessary for the acceptance of customers, while lending a special care for the following customers, according to the data and information made available to the firms and companies, upon the execution of the accounting requests and determining the appropriate administrative level to deal with them. Examples about the said customers are stated hereinafter:

1/5/1 Customers with political influence, coming from foreign countries (Politically Exposed Persons) such as prime ministers, current and former ministers, members of parliaments, members of ruling families, military leaders and their families, persons having business relations with them or with their families

1/5/1/1 Firms and companies must set the appropriate regulations for risk management in order to determine whether the customer was, at the time of or after commencing the accounting transaction, a Politically Exposed Person or not. They must use all the data and information which are available to public or those existing at the commercial databases about the Politically



Exposed Persons.

- 1/5/1/2 The approval of the senior management of the firms and companies upon establishing a business relation with a Politically Exposed Person must be obtained, prior to accepting him as a customer.
- 1/5/1/3 keeping the actions taken to determine the source of wealth and the funds of customers in the customer's file
- 1/5/1/4 The executive administration of the firms and companies shall, continuously and intensively, monitor the business relation with those persons
- 1/5/1/5 Firms and companies shall take the following procedures, whenever they accept any of the customers and they discover afterwards that he is a Politically Exposed Person:
 - 1/5/1/5/1 Analyzing all their complicated financial operations, including loans and payments, as well their international business relations
 - 1/5/1/5/2 Obtaining the approval of the senior management upon continuing the business relation with them
 - 1/5/2 Settling the fees of the accounting transactions from the accounts held by the customers in States that do not have legislative and supervising regulations in the field of AML/CFT or such where such regulations are inconsistent with the criteria and recommendations issued by the FATF.
 - 1/5/3 Customers who are normally engaged in activities related to precious goods, such as jewelry and gold, cars, works of art, dealing in real estates, financing lease, gambling clubs, and cinemas
 - 1/5/4 Customers who travel constantly to countries known for drug trade or culture.
 - 1/5/5 Customers who do not show any interest in the cost of the accounting transaction, commissions or other accounting transaction fees
- 1/6 All the firms and companies must observe the following upon the acceptance of accounting requests:
 - 1/6/1 Availability of accounting interest between the customer and the beneficiary, while lending a special care to large accounting transactions and accounting transactions which have no clear economic or legal purpose.
 - 1/6/2 Applying the necessary and precise technical rules in fixing the prices
 - 1/7 Lending special care to the following accounting transactions:
 - 1/7/1 Irregular accounting transactions
 - 1/7/1/1 which give rise to unexpected profits
 - 1/7/1/2 which give rise to unexpected losses
 - 1/7/2 Suspicious cases, specially in the case of early liquidation
 - 1/7/3 Contingent accounting transactions which value exceeds eighty/five thousand Riyals or the equivalent thereof in a foreign currency.



1/8 All the firms and companies shall update the information and documents which are periodically submitted with regard to the accounting requests, every three years at the latest or upon the emergence of other reasons which require so.

1/9 Upon the execution of accounting transactions for persons residing outside the State, all the data related to their identity shall be obtained from the documents and the means of evidence provided for in article (2/1)

2/ Reporting about transactions suspected to be related to money laundering and financing of terrorism

2/1 Firms and companies must appoint one of the officers in the senior management (follow/up officer) to notify the FIU about transactions which are suspected to involve money laundering and financing of terrorism and a representative to replace him when he is absent, while notifying the unit in case either of them is changed.

2/2 Firms and companies shall prepare for the follow/up officer everything that would enable him to commence his functions independently and that would guarantee the maintenance of the confidentiality of the information he received and the procedures he applies. He shall be entitled, in this regard, to peruse the documents, records and data which enable him to perform his tasks.

2/3 The follow/up officer shall examine the unusual transactions, whether those which internal regulations of the firm or the company allow to make them available directly to him or those which are received by the persons who work at the firm or the company and which are accompanied by justifying reasons or which are received by him from another party.

2/4 In case of suspecting any accounting transaction, specially an unusual one, the follow/up officer shall, for the purpose of eliminating the suspicion of money laundering and financing of terrorism, require the customer to submit the justifying documents which establish the legitimacy of this transaction.

2/5 In the event where the customer refuses to respond to the request of the follow/up officer or in the event where the suspicion of money laundering and financing of terrorism is established, the firms and companies must inform the FIU by reporting such accounting transaction, on the form prepared by the Unit for this purpose, along with all the data and copies of the documents related to such transactions, stating the person who executed it and the parties thereto, the reasons of suspicion and the actions taken by the firms and companies before the execution of such transaction, the person executing it and the rest of the parties thereto.

2/6 Setting the necessary procedures to accelerate the execution of the court sentences and reservation decisions issued by the governor of Qatar Central Bank



or the attorney general or the competent criminal court for funds and other assets suspected of being related to the crimes of money laundering and financing of terrorism.

- 2/7 If the follow/up officer finds that there is no suspicion regarding the transactions which are suspected to involve money laundering and terrorism financing, he shall be responsible for taking the decisions about keeping them, while stating the reasons he relied on in this regards.
- 2/8 It is forbidden to disclose to the customer, his delegate, the beneficiary or parties other than the competent authorities and parties which are in charge of applying the provisions of the AML law about any of the notification actions taken with regard to the suspicious financial transactions that they involve money laundering and terrorism financing or about any data related thereto.
- 2/9 A special care must be given upon inspecting the business relations and transactions of the firms and companies from countries which do not comply with the AML/CFT criteria or which compliance thereto is inadequate and in particular, in the event where there are no clear purposes for such transactions, where the background and purposes of such transactions must be examined and a report in this regard must be submitted to the senior management of the firm or the company.
- 2/10 The follow/up officer must prepare a quarterly report on the aspects of his activities and his evaluation of the AML/CFT regulations and procedures at the firm or the company and on the unusual and suspicious transactions and the actions taken in their regard, accompanied by the proposals he deems appropriate. This report shall be submitted to the board of directors of the firm or the company in order to state their remarks and take the necessary actions. It shall be sent to the FIU along with the remarks and decisions of the board of directors of the firm or the company and a copy thereof to the Ministry of Economy and Commerce.

3/ Recording and Documentation

- 3/1. All insurance companies should keep the documents and records they are committed to keep, provided they include the records of determining the customer's ID, the issued insurance policies and the reinsurance contracts for a period not less than 10 years after the end of the validity of the document or the reinsurance contract.
- 3/2. The firms and companies should update these details periodically and put these documents and records under the disposal of the judiciary authorities and the authorities competent in implementing the provisions of the AML Law upon their request.
- 3/3. The firms and companies should keep copies of the notifications, data and documents related to the transactions suspected of including ML/TF, in private re-



cords kept for a period not less than 10 years starting from the beginning of the insurance transaction until rendering of a decision from the Public Prosecution or of a final judgment concerning the transaction, whichever comes later.

4. Training

All firms and companies should prepare and execute continuous training programs for their workers especially the workers concerned about the subscription and compensations in the insurance transactions for increasing their competence in the accurate compliance with executing these controls, while ensuring that those programs include the ML/TF methods; the way of discovering and reporting them; the way of dealing with the suspicious customers while keeping the records for all the training programs that occurred during a period not less than 5 years, provided that they include the names of the trainees, their qualifications and the authority that performed the training whether inside or outside, while coordination completely about the scientific and applied materials for the training programs with the Committee in light of the developments on the local, regional and international level.

5. Bylaws

Each firm or company should establish the suitable bylaws for the proper implementation of the controls while reviewing these systems periodically for discovering their weaknesses or the extent of the compliance with them, and take the necessary procedures to avoid them while informing the Ministry of Economy and Commerce of these systems provided that the following are taken into consideration:

- 5/1. The ability of those systems to discover the transactions which are inconsistent with the size and nature of the customer's activity or which occur with suspicious customers.
- 5/2. That each unusual transaction the value of which exceeds certain limits determined by the company's administration is monitored by the follow up official.
- 5/3. Complying with establishing a work bylaw through which it is possible to know the customers and verify their basic data, provided that this is done through an accurate database easily referred to.
- 5/4. The control procedures and systems that ensure verifying the non/performance of any financial transfers unofficially should be established, and details of the transfer amount, the beneficiary (name, place of residence and activity) as well as the person



or authority that made the transfer should be kept.

5/5. The firms and companies should oblige the branches affiliated with them and those operating abroad to apply those standards to the extent the systems and laws in effect in the countries in which they operate allow.

Moreover, these firms and companies should inform the FIU for expressing its opinion concerning those branches that operate in countries the laws of which hinder the implementation of the previously mentioned standards.

5/6. The periodical inspection operations should be done on a quarter year basis for assuring that the data and documents related to the insurance transactions are updated, while lending a special care for settling the compensations and the inspection experts' reports as well as paying the insurance transactions' installments and the cash transfers occurring by the modern technologies.

5/7. The firms and companies should issue controls for the inspection and damage estimation experts to prohibit colluding with the customer or using twisted methods whether upon the evaluation of the risk which will be insured or upon the evaluation of the request.

5/8. The instructions issued by the FATF, the MENAFATF and the control authorities inside the State of Qatar should be resorted to for knowing the patterns of the insurance transactions and other behavior suspected of being in relation with ML/TF.

6. Firms and Companies' Responsibility

6/1. The firms and companies and their employees shall be legally and directly responsible about their non/compliance with the execution of the provisions of this circular.

6/2. With no prejudice to any severer punishment provided by another law, the firms and companies shall be punished on violating the provisions of this circular under the provisions of the decree under the Law No. (1) of 1966 with supervision and control over the insurance companies and agencies and its amendments, the Law No. (5) of 2002 with issuing the commercial companies law and its amendments, Law No. (28) of 2002 concerning the AML, amended under the decree under the Law No. (21) of 2003.

7. Effectiveness

The provisions of this circular shall be applied as of the date of being issued, and everything that contradicts with its provisions shall be cancelled.



Through visiting the firms and companies, the work group of the Ministry will detect the AML/CFT systems and procedures they apply in order to verify the complete compliance with the instructions of the Ministry in this respect.

Mohammed Hasan Alsaadi

Assistant Undersecretary

Supervisor of the Commercial Affairs Department

Issued on 9/4/2008

Circular No. (5) of 2008

To all companies and commission agents working in the real estate in Qatar

Peace be upon you,

Subject: AML/CFT Procedures

After perusing the decree-Law No. (5) of 2002 of issuing the commercial companies law and its amendments,

Law No. (28) of 2004 of AML under the decree-law No. (21) of 2003,

Law No. (3) of 2004 concerning combating terrorism,

Law No. (27) of 2006 of issuing the commercial law,

The decree-law No. (32) of 2004 for regulating the Ministry of Economy and Commerce and determining its competences, the FATF recommendations for AML/CFT,

And according to the proposition of the work team formed in Ministry and concerned about AML/CFT.

And as it is the desire of the Ministry of Economy and Commerce in AML/CFT, the real estate companies and commission agents operatin in the State should take the following procedures:

First: Definitions:

1. Ministry: Ministry of Economy and Commerce.
2. Companies: Qatari real estate companies.
3. Commission Agents: the real estate commission agents committed under a contract made with the principal for performing the legal conducts in the real estate area in their names or for the account of the principal against a fee.
4. ML: each deposit or transfer or transaction of any finances, proceeding from illicit sources or suspected to be resulted from a crime of the crimes provided in the AML Law, shall be done through the companies.



5. TF: each act aiming at supplying or gathering physical or financial aids, directly or indirectly, from legitimate or illegitimate sources, for any individual or society or authority or organization or group or band for executing or starting an individual or group, criminal project, the purpose committing it is terrorism, and the purpose is terrorism if the motive of using force or violence or threat or intimidation is stalling the provisions of the constitution or the law or violating the public system or exposing the safety and security of the society to danger or harming the national unity, which leads or could lead to harming people or terrifying them or exposing their life or freedom or security to danger, or harming the environment or the public health or the national economy, or the facilities or establishments or public or private properties or laying hold of them or hindering the performance of their works, or prohibiting or hindering the public authorities from performing their works.
6. Customer: any natural or legal person dealing with any real estate company.
7. Committee: is the National Committee for AML/CFT established under the provisions of article (8) of the Law No. (28) of 2002 for AML.
8. FIU: is the unit deriving from the National Committee for AML/CFT and located in the Qatar Central Bank.
9. Unusual Real estate Transactions: all kinds of real estate transactions provided by the real estate companies for their customers such as fire real estate and the insurances usually accompanying it as well as the land, sea, air, etc... transportation real estate .
10. Unusual Real estate Transactions: are the real estate transactions of large-scale amounts, that are inconsistent with the customer's income or nature of his work, or that are inconsistent with his previous transactions with the real estate companies, or those which the customer repeat in a suspicious and doubtful way and those instructions for which there are no clear intentions or legitimate purposes.
11. Suspicious Transactions: are the real estate transactions suspected to be related to the ML and TF crimes.
12. Follow up Official: is a person responsible for AML/CFT, appointed by the companies in the headquarters. His duties should be to follow up the execution of instructions issued for the company in the AML/CFT field at all the departments and branches of these companies as well as notifying the FIU of the suspicious transactions. In order to be appointed, the official should be competent and experienced and authorize the sufficient administrative authorities that enable him to perform his job independently and be responsible to the FIU upon executing his duties and competences.



Second: AML/CFT Instructions

I. ID Identifications

I/I Real Estate Companies

All the real estate companies operating in Qatar must establish the systems that allow obtaining the data of knowing the identity and the legal status of the customers (or their representatives) and real beneficiaries from the natural and legal persons; inquiring about their validity in a way that meets with the “know your customer” principle regarding the real estate applications submitted by anyone of the customers, through official proof with the registration of the data of this knowing, taking into consideration in particular the following:

- I/I/1. The real estate companies should not execute the real estate applications for the persons with anonymous or fictitious or illusionary identity.
- I/I/2. Taking into consideration that the real estate applications are received in the company's unified forms at all its branches, which should be met and signed by the customers. The company should verify the validity of and adopt these data according to the submitted original documents. In the event of obtaining the real estate allocations by other means such as the facsimile or the internet the suitable and necessary procedures for verifying the validity of these applications and fulfillment according to the necessary legal terms.
- I/I/3. Taking into consideration that the real estate application forms comprise detailed data for the customer's full name, signature, date and place of birth, nationality, number of the proof of identity, the current and permanent address of the real residence, including the postal code, phone number, facsimile number, e-mail address, work address, profession, the data of his current account at the bank from which the document's installments are paid (if present). Moreover, those forms also include the nature of the relation between the customer and the beneficiary as well as any other information the company deems necessary to be added.

Provided that in the case of the legal persons the form includes the following additional data:

- I/I/3/1. The legal form and the nature of the activity.
- I/I/3/2. The person authorized to sign on behalf of the legal person.
- I/I/2/3. The names and addresses of the partners in the companies of the individuals.
- I/I/3/4. The names and addresses of the shareholders each of whom pos-



sesses more than 10% of the capital of the company in the cases of the funds companies.

I/1/4. Perusal of the original documents by the competent employee and the obtainment of a copy of them as well as confirming that it is a true copy of the original documents, and verifying the validity of the presented data according to the following:

I/1/4/1. The natural persons and their representatives:

I/1/4/1/1. The official document for verifying the personality, which is adopted in Qatar.

I/1/4/1/2. Regarding the incompetent persons - such as the minority – the documents indicating their representatives by law in transactions should be fulfilled.

I/1/4/1/3. The necessary documents for authorizing the persons the customer authorizes them to deal on his behalf, and their data.

I/1/4/2. Legal Persons

I/1/4/2/1. The establishment documents proving the verification of the presence of the legal person, the validity of his legal status and his conduct of the activity, particularly the commercial register and the tax card.

I/1/4/2/2. The documents indicating the presence of an authorization from the legal person or the natural persons representing him, and his documents.

I/1/4/2/3. Regarding the non-profit societies, the documents indicating their establishment and nature of activity shall be fulfilled.

I/1/5. Establishing the necessary systems and procedures for accepting the customers, lending special care for the following customers, according to the data and information available for the company upon the execution of the real estate applications and to the determination of the appropriate administrative level for dealing with them. Examples of those customers are:

I/1/5/1. The customers of political influence from foreign countries (PEPs) such as the Prime Ministers, the current and previous ministers, the members of parliaments, the members of the ruling families, the military leaders, their families and the persons who have business relations with them or with their families.

I/1/5/1/1. The real estate companies should establish systems suitable for risk management for determining whether the customer, upon the beginning of the real estate transaction or thereafter, was a PEP or not, and they should use all the data and information available for the public or present in the commercial databases on the PEPs.

I/1/5/1/2. It is necessary to obtain the approval of the senior management of the company for starting a business relation with a PEP before accepting him as a customer in it.



1/1/5/1/3. Keeping the procedures taken for determining the source of the fortune and finances of those customers in the customer's file.

1/1/5/1/4. The executive management should monitor the business relation with those persons in a continuous and enhanced way.

1/1/5/1/5. The real estate companies should whenever they accept a customer and discovered thereafter that the customer is a PEP take the following procedures:

1/1/5/1/5/1. Analyze all of their complicated financial transactions including their loans, payments and international business relations.

1/1/5/1/5/2. Obtaining the approval of the senior management for continuing the business relation with them.

1/1/5/2. Paying the real estate installments from accounts the customers keep in countries that have no legislative and monitoring systems in the AML/CFT, or that these systems are incompatible with the FATF standards and recommendations.

1/1/5/3. The customers performing activities related to the luxury goods such as jewelry, gold, cars, antiques, dealing in real estate, financial leasing, casinos and filmmaking and cinema.

1/1/5/4. The customers who travel consistently to countries famous in trafficking or cultivating drugs.

1/1/5/5. The customers who do not care about the real estate price or the commissions or others of the real estate coverage costs.

1/1/6. All the companies should take the following into consideration upon accepting the real estate applications:

1/1/6/1. Availability of the real estate interest between the customer and the beneficiary while lending a special care for the large-scale real estate transactions and those that have no clear economical or legal purpose.

1/1/6/2. Taking the necessary and accurate, technical rules in the subscription and price fixing.

1/1/7 Lending a special care for the following real estate transactions:

1/1/7/1. Purchasing and selling the estates.

1/1/7/1/1. The cases including more than one broker.

1/1/7/1/2. The suspicious cases especially in the case of the early liquidation.

1/1/7/2. Lending and managing lands, properties and residential buildings.

1/1/7/2/1. The cases in which the payment of the installment is during a period over 1 year, especially if it were large.



1/1/7/2/2. Time share cases regarding the residential units, if the annual installment value is added to half the value of the unit.

1/1/7/3. The incidental real estate transactions exceeding 35,000 Riyals or their equivalence in the foreign currencies.

1/1/8. All companies should update the information and documents submitted about the real estate applications regularly, each three years at most or upon the presence of other reasons requiring that.

1/1/9. Upon performing real estate policies for the persons living abroad, it is necessary to obtain all the data related to those customers through the documents and the evidence means provided in clause (second/1/1).

1/2. Real estate Commission Agents:

Without prejudice to the provisions provided in clauses (second/1/1 – second/1/2), the real estate companies should take into consideration the following:

1/2/1. Issuing controls for the real estate brokers, prohibiting the real estate broker from brokering in the real estate transactions suspected of ML/TF.

1/2/2. If the real estate transactions were done inside Qatar through brokers, this should not occur except through the brokers registered in the Ministry of Economy and Commerce.

1/2/3. Not accepting the payment of the real estate installment from the account of one of the charge d'affaires of the agency.

1/2/4. The importance of inquiring about the real estate broker who is paying the real estate installment.

2. Notifying about the Transactions Suspected to be Related to ML/TF

1/2. The real estate companies should appoint one of the officials of the senior management a “follow up official” to notify the FIU of the transactions suspected to be including ML/TF, and whoever replaces him while he is absent while notifying the FIU in case of changing one of them.

2/2. The real estate companies should prepare for the follow up official everything that enables him to start his competences independently, a well as what ensures the preservation of the secrecy of the information he receives and the procedures he performs. For this purpose, he may peruse the documents, records and statements that enable him to perform his duties.

3/2. The follow up official should check the unusual transactions whether those that the company enables providing them for him or those he receives from the company’s workers, accompanied with the reasons justifying them or those he receives from



- any other authority.
- 4/2. In the event of suspecting any real estate transaction, especially the unusual one, the follow up official for the purpose of eliminating suspicion of ML/TF should ask the customer the justifying and supporting the legality of this transaction.
- Provided that these procedures are performed within the scope of the usual procedures of the company with the customers, without notifying the customer that the procedures are related to AML/CFT.
- 5/2. In case the customer does not respond to the request of the follow up official or the suspicion of ML/TF, the company should notify the FIU of a report on this real estate transaction attached with all the data and the copies of the documents related to these transactions, in which the person performing them and its sides; the reasons of suspicion; the procedures taken by the company before the transaction, their performer and remaining sides.
- 6/2. Establishing the procedures needed for executing the judgments and the preservation decisions issued by the Governor of Qatar Central Bank or the prosecutor or the criminal court competent in terms of funds or other assets suspected to be related to the ML/TF crimes.
- 7/2. If the follow up official finds that there is nothing suspicious regarding the transactions suspected of including ML/TF, he should the decisions concerning preserving them while showing the reasons he referred to in this regard.
- 8/2. It is prohibited to disclose for the customer or for his representative or the beneficiary or other than the authorities and competent sides implementing the provisions of the AML Law of any of the notification procedures taken about the financial transactions suspected of including ML/TF or the data related to them.
- 9/2. A special care should be taken upon the inspection of the business relations and the transactions of companies from countries that do not abide by the AML/CFT standards, or their abidance by those standards is insufficient, especially when there are no clear objectives for these transactions, where the background and objectives of such transactions should be checked, and a report should be submitted to the senior management about them.
- 10/2. The follow up official should prepare a quarterly report on the forms of his activity and his evaluation of the AML/CFT systems and procedures in the company; on the unusual and suspicious transactions and what has been taken about them, accompanied by the propositions he deems suitable in this regard. This report shall be submitted to the Board of Directors of the company for commenting on it and taking the procedures it decided. It shall be sent to the FIU accompanied with the notes and decisions of the Board of Directors. In addition, a copy of it shall be sent to the Ministry of Economy and Commerce.

3. Recording and Documentation

- 3/1. All companies should keep the documents and records they are committed to keep,



provided they include the records of determining the customer's ID and the real estate documents for a period not less than 10 years after the end of the validity of the document.

3/2. The companies should update these details periodically and put these documents and records under the disposal of the judiciary authorities and the authorities competent in implementing the provisions of the AML Law upon their request.

3/3. The companies should keep copies of the notifications, data and documents related to the transactions suspected of including ML/TF, in private records kept for a period not less than 10 years starting from the beginning of the real estate transaction until rendering of a decision from the Public Prosecution or of a final judgment concerning the transaction, whichever comes later.

4. Training

All companies should prepare and execute continuous training programs for their workers especially the workers concerned about the subscription and compensations in the real estate transactions for increasing their competence in the accurate compliance with executing these controls, while ensuring that those programs include the ML/TF methods; the way of discovering and reporting them; the way of dealing with the suspicious customers while keeping the records for all the training programs that occurred during a period not less than 5 years, provided that they include the names of the trainees, their qualifications and the authority that performed the training whether inside or outside, while coordination completely about the scientific and applied materials for the training programs with the Committee in light of the developments on the local, regional and international level.

5. Bylaws

Each company should establish the suitable bylaws for the proper implementation of the controls while reviewing these systems periodically for discovering their weaknesses or the extent of the compliance with them, and take the necessary procedures to avoid them while informing the Ministry of Economy and Commerce of these systems provided that the following are taken into consideration:

5/1. The ability of those systems to discover the transactions which are inconsistent with the size and nature of the customer's activity or which occur with suspicious customers.

5/2. That each unusual transaction the value of which exceeds certain limits determined by the company's administration is monitored by the follow up official.

5/3. Complying with establishing a work bylaw through which it is possible to know the



customers and verify their basic data, provided that this is done through an accurate database easily referred to.

5/4. The control procedures and systems that ensure verifying the non-performance of any financial transfers unofficially related to real estate activities should be established. Moreover, details of the transfer amount, the beneficiary (name, place of residence and activity) as well as the person or authority that made the transfer should be kept.

5/5. The companies should oblige the branches affiliated with them and those operating abroad to apply those standards to the extent the systems and laws in effect in the countries in which they operate allow.

Moreover, these companies should inform the FIU for expressing its opinion concerning those branches that operate in countries the laws of which hinder the implementation of the previously mentioned standards.

5/6. The periodical inspection operations should be done on a quarter year basis for assuring that the data and documents related to the real estate transactions are updated, while lending a special care for settling the compensations and the inspection experts' reports as well as paying the real estate transactions' installments and the cash transfers occurring by the modern technologies.

5/7. The companies should issue controls for the inspection and damage estimation experts to prohibit colluding with the customer or using twisted methods upon the evaluation of the transacted estate.

5/8. All instructions issued by the FATF, the MENAFATF and the control authorities inside the State of Qatar should be resorted to for knowing the patterns of the insurance transactions and other behavior suspected of being in relation with ML/TF.

6. Companies' Responsibility

6/1. The companies and their employees shall be legally and directly responsible about their non-compliance with the execution of the provisions of this circular.

6/2. With no prejudice to any severer punishment provided by another law, the companies shall be punished on violating the provisions of this circular under the provisions of the decree under the Law No. (5) of 2002 with issuing the commercial companies law and its amendments, Law No. (28) of 2002 concerning the AML, amended under the decree-law No. (21) of 2003 and Law No. (27) of 2006 of issuing the commercial Law.

7. Effectiveness

The provisions of this circular shall be applied as of the date of being issued, and everything that contradicts with its provisions shall be cancelled.



Through visiting the real estate companies and commission agents, the work group of the Ministry will detect the AML/CFT systems and procedures they apply in order to verify the complete compliance with the instructions of the Ministry in this respect.

Mohammed Hasan Alsaadi

Assistant Undersecretary

Supervisor of the Commercial Affairs Department

Issued on 9/4/2008



Section Three

State of Qatar Ministry of Justice Real Estate Registration Department

No. S.E. /202/2006

Date: 30.10.2006 AD,

Corresponding to 8.10.1427 AH

Circular No. 13 of 2006

To the Department Personnel authorized to follow up the anti-money laundering procedures

Greetings,

Pursuant to the provisions of the Law No. 28 of 2002 concerning the combating of money laundering, as amended,

And upon the authorization given to you to follow up the anti-money laundering procedures, I am pleased to refer to the 40 recommendations issued by the Financial Action Task Force on Money Laundering (FATF).

Please observe these recommendations and report any suspicious case directly to the Department Director.

Best regards.

Ahmed Mohammed Al-Rumaihi

Director of the Real Estate Registration and Authentication Department

c.c.: Office of H.E. the Minister

C.c. Office of H.E. the Under-secretary

C.c. Head of the Technical Office

C.c. Office of the Director of Administrative and Financial Affairs



In the Name of Allah the Most Gracious the Most Merciful

Minster of Justice

**Resolution of the Minister of Justice
Chairman of the Lawyers Admission Committee
No. 108 of 2006**

The Minister of Justice, Chairman of the Lawyers Admission Committee,

Having considered the Law Decree No. 14 of 1991 regulating the Ministry of Justice and the specifying its responsibilities, as amended by the Law No. 11 of 2002,

The Law No. 28 of 2002 concerning the combating of money laundering,

The Law No. 3 of 2004 concerning the combating of terrorism financing,

The Advocacy Law No. 23 of 2006,

The recommendations issued by the Financial Action Task Force for Money Laundering and the financing of terrorism (FATF),

The Resolution of the Central Bank of Qatar No. 30 of 2004 to establish the Financial Information Unit,

And upon the proposal of the Under-secretary,

Has decided as follows:

Article 1

All advocates and law offices and companies shall observe and abide by the following instructions.

Article 2

All the competent bodies, each within its respective jurisdiction, shall implement this resolution which shall be implemented from the date of issue thereof.

(Signature)

Hassan bin Abdullah Alghanim

Minister of Justice

Issued on 1.11.1427 AD

Corresponding to 22.11.2006 AH



In the Name of Allah the Most Gracious the Most Merciful

Minster of Justice

Instructions Concerning the Procedures for Combating Money Laundering and Terrorism Financing

All advocates and law offices and companies shall observe and abide by the following instructions:

1- Verify the identity of the client whether he is a natural individual or corporate body. This shall include:

- verifying the identity of the client
- verifying the transactions of the client
- verifying the identify of the attorney for the customer
- Verifying the identity of the real client (if there are several parties to the case)

2- Document the relationship with the client by means of:

- a contract
- an authenticated power of attorney.

3- The law office or company shall lay down an internal system for combating money laundering and the financing of terrorism, by implementing effective internal control procedures.

4- The employees of the law office or company shall not alert the clients in the event where there are suspicions regarding their activities, in order to verify those doubts through further monitoring and carefulness.

5- Lawyers and law offices and companies that notify the Financial Information Unit of any suspicious commercial operations when they conclude on behalf or for the account of the customer any financial deal relating to the following activities:

- a) buying or selling of real estate properties,
- b) Managing the funds, securities or other assets owned by the client,
- c) Managing the bank accounts, savings or securities,
- d) Organizing participations for the purpose of establishing, operating or managing of companies,
- e) Establishing, operating or managing material or corporate legal entities, in addition to the purchase or sale of entities,



as soon as they discover any such suspicious transaction, in order to take the necessary measures in this regard. This shall not be regarded a breach of professional secrecy, and such notification shall be made by using the attached form.

6- Special attention shall be given to the business relations of persons or entities from the countries that do not implement these provisions or whose implementation thereof is insufficient.

7- Maintenance of an integrated data base of all the business cases and relationships.

8- Follow up the international developments in the field of combating money laundering and terrorism financing.

9- Observance of the provisions of the Law No. 28 of 2002 concerning the combating of money laundering, as amended, particularly the provisions relating to the penalties that shall be imposed upon the employees of law offices and companies who are accomplices to the crime or who fail or neglect the reporting thereof, or who alert the clients to the procedures being taken concerning them.

In addition to the observance of the obligations contained in the Law No. 23 of 2006 concerning the Advocacy Law.

10- The advocates and law offices and companies and their employees shall be directly liable at law for their failure to implement these instructions.



Section Four

Instructions issued by Civil Service and Housing Affairs Ministry on Charitable Societies

The following instructions should be observed :

First: Accounts of Licensed Charitable Societies

The Licensed Societies :

- Qatar Red Crescent Society
- Qatar Society for Rehabilitation and Care for Persons with Special Needs (Disabled)
- Qatar Charitable Society
- Sheikh Eid Bin Mohammed Al-Thani Charitable Foundation
- Qatar Foundation for Education, Science and Community Development, with its subsidiaries: Family Development Institution, and Diabetes Society
- Al-Balagh Cultural Society for the Service of Islam on the Internet
- Sheikh Jasim Bin Jaber Bin Mohammed Bin Thani Al-Thani Charitable Foundation
- Qatar Cancer Society
- Qatar Plastic Arts Association
- Shafallah Center for Children with Special Needs
- Islamic Dawa Organization

As for the other societies and institutions, the Law No.12 of 2004 on private societies and institutions requires the ministry's approval thereof.

Second: Reception of Donations

Banks are prohibited from conducting any fund-raising campaign for any society or institution for any reason, without a prior license from the Qatari Authority for Charitable Works, pursuant to paragraph (6) of Article 7 of Law No.13 of 2004 AD, concerning the establishment of the Qatari Authority for Charitable Works, with respect to private societies and institutions that have charitable and humanitarian objects, as well as such other individuals and parties as are specified by a decision of the Council of Ministers. Other societies should obtain a permit from the Minister of Civil Service and Housing to raise funds, in accordance with Article 29 of the above-mentioned Law No.12 of 2004.



Third: External Transfer

Banks are prohibited from transferring funds from private charitable and humanitarian societies and institutions and from individuals for the same purposes to any person, society, institution, authority or club outside the country, except under the supervision and control of the Qatari Authority for Charitable Works, as required by paragraph (4) of Article (4) of the above-mentioned Law No.13 of 2004.

Other private societies and institutions can only do so pursuant to an approval in writing by the ministry.

Fourth: Opening a Bank Account

Banks may not open a bank account in Qatar for private societies and institutions that have charitable and humanitarian objects and are registered abroad, except after they have been authorized to do so by the Qatari Authority for Charitable Works, pursuant to paragraph (8) of Article 7 of the above-mentioned Law No.13 of 2004.

No such account may be opened for other private societies and institutions save after they have obtained the approval of the Minister of Civil Service and Housing, in accordance with Article 33 of the above-mentioned Law No.12 of 2004.



Section Five

Instruction Issued by the Qatari Public Authority for Charitable Works

Circular No. 1/2005

Controls for Financial Dealings and Transfers with Charitable and Humanitarian Bodies Abroad

Believing in the continuity of charitable works, and according to the dictates of public interest, the following controls have been adopted. In the event where charitable societies and humanitarian institutions in the State wish to transfer any financial amounts to any party abroad, the following points shall be observed:

- 1) The executing body abroad should be officially registered in its own country according to the certificate of license issued by the official body in charge of issuing licenses in that country.
- 2) The society shall submit its original documents (or true copies) of the following:
 - The Articles of Association of its establishment.
 - A recent certificate from the body authorized to issue licenses, stating that the society is still conducting its charitable work in that country.
 - Legalization of those documents by the Embassy of the State of Qatar (if any) or the embassy of any Gulf Cooperation Council country.
 - List of the names and nationalities of the management personnel of that society.
- 3) The charitable body abroad shall have a bank account in the name in which it is registered at a local bank in the country to which it belongs.
- 4) Internally, the Society shall submit the papers of evidence to the competent body at the Qatari Authority for Charitable works for approval (provided that those documents shall carry the original legalization stamp of the Embassy).
- 5) In the event where there are external offices of the Qatari body abroad, it shall be sufficient to send their valid official registration document in the host country and a list of the names and nationalities of the management personnel of those offices.
- 6) The Qatari private societies and institutions that have charitable and humanitarian objectives, upon approval of their request to transfer funds to similar bodies abroad by the Qatari Authority for Charitable Works, shall



transfer those funds through the local banks accredited in the State, provided that they shall submit to the competent body at the Qatari Authority for Charitable Works periodical statements (monthly) of the foreign remittances made or the amounts received from individuals, societies and bodies.

7) Concerning the non-Qatari societies, institutions, bodies or clubs that have charitable objectives, and whose headquarters are located outside the State and that have not satisfied all or some of the conditions set forth in this circular by reason of their existence in the minority countries, or those that do not have an official registration of the societies, as may be taken against them in the light of the nature of each case referred to it.

8) The Qatari private societies and institutions what have charitable and humanitarian objectives, should notify the competent boy at the Qatari Authority for Charitable Works in the event where it learns of any event where the society, institution, authority or club abroad has exceeded its charitable and humanitarian objective.



Resolution No. 17 of 2006

Issuing the Instructions Related to the Combating of Money Laundering and Terrorism Financing

The Director General,

Having perused the law No. 13 of 2004 concerning the Establishment of the Qtari Authority for Charitable Works,

The Law No. 12 of 2004 concerning Private Societies and Foundations,

The Law No. 28 of 2002 concerning the Combating of Money Laundering and terrorism financing, as amended by the Law Decree No. 21 of the year 2003,

The Law No. 3 of the year 2004 concerning the Combating of Terrorism,

The 40 recommendations, as amended, and the 9 special recommendations issued by the Financial Action Task Force for Combating Money Laundering and the Financing of Terrorism.

The Administrative Resolution No. 1 of 2004 for the establishment of the Financial Action Unit and approval of its organization structure,

And for the benefit of the public interest,

Has decided as follows:

Article 1

To issue the instructions related to the money laundering and terrorism financing as attached to this resolution.

Article 2

All private societies and foundations that have charitable and humanitarian objectives shall observe and implement these instructions with effect from the date of the issue hereof.

Ahmed bin Mohammed Al-Muraikhi

Director General

Issued on 12 / 11 / 2006 AD



Instructions Related to the Combating of Money Laundering and Terrorism Financing

Chapter I

Definitions

Article I

In the application of the provisions of this Resolution, the following words shall have the meanings shown against each of them respectively unless the context shall otherwise require.

The Authority : The Qatari Authority for Charitable Works.

The Board : the Board of Directors of the Authority.

A Private Society : a group which consists of several natural individuals or corporate bodies whose objective is to undertake humanitarian or charitable work, and whose objects do not include the achieving of material profit or involvement in political matters.

The Private Foundation : Every foundation established by one or more persons who are natural individuals or corporate bodies for the purpose of achieving one or objectives of charity or public or private benefit for an indefinite period, and whose objects do not include the achieving of material profit or involvement in political matters.

The Ministry : The Ministry of Civil Service and Housing Affairs.

The Financial Information Unit : An independent central government body which undertakes the executive measures related to the combating of money laundering or the financing of terrorism.

The Bank : The Qatar Central Bank.

The Supervisory Authorities : The Qatari Authority for Charitable Works, the Qatar Central Bank, Ministries and government bodies.

The Financing of Terrorism : The use of money or other assets in financing terrorist acts or terrorist organization.



The Customer : Any natural individual or corporate person who deals with a private society or foundation whose objectives are charitable or humanitarian.

Financial Remittances : The financial amounts transferred by one natural individual or corporate body to external parties for activities that have charitable or humanitarian objectives abroad.

Follow-up Officer for the Combating of Money Laundering and Terrorism Financing: A person designated by the private societies or foundations that have charitable or humanitarian objectives, whose function is to follow up the implementation of the instructions issued in the field of combating money laundering and terrorism financing, and notifying the Financial Information Unit of suspicious operations directly. As a condition of his designation, he shall be competent and experienced and shall be vested with the adequate administrative powers that enable him to perform his work in total independence. He shall be accountable to the Financial Information Unit for carrying out his duties and responsibilities.

Chapter II

Instructions Relating to the Combating of Money Laundering and Terrorism Financing

Article 2

1- In order to combat money laundering resulting from operations that are illegal or have a suspicious source, and to combat the financing of terrorism, all private societies and foundations whose objectives are charitable and humanitarian in the State shall take precautionary and control measures and controls to combat money laundering and terrorism financing, as follows:

1-1 The following Identity data shall be verified in the event of the natural individual:

- Four part name (first name, father, grandfather, and surname)
- Complete address
- Nationality
- Occupation
- Full particulars of the identify card or passport.



I-2 The following identity data shall be verified in the event of a corporate body:

- Name
- Legal form
- Commercial registration or license obtained to conduct business, and the validity thereof
- Objectives
- Address of the head office and branch, if any
- Particulars of the owners or main shareholders of the company.
- Names of the members of the Board of Directors.
- Name and address of the legal representative of the corporate body and details of his identity.
- Names and persons authorized to sign, and specimens of their signatures.
- The memorandum of association and Articles of Association, authenticated by the competent bodies in the State.

I-3 Verification of the Transaction:

I.3.1- The seriousness and validity of all the financial transactions should be verified, particularly the transactions whose amount exceeds 100,000 Qatari Riyals or the equivalent thereof in foreign currencies. It should also be verified that these transactions are not exploited in money laundering and terrorism financing, regardless of the amounts exploited therein.

I.3.2- The particulars of all financial operations shall be recorded in the registers related to financial affairs.

I.3.3- All transactions shall be registered in the books and registers of every foreign party involved in any financial transactions whose value exceeds 100,000 Qatari Riyals, regardless of the kind thereof.

I.3.4- No fictitious contract shall be made in favor of charitable or humanitarian projects or participation in or execution of unreal or fictitious transactions with unspecified names.

2- Without prejudice to Article I, the particulars of the customer (name, nationality, identity, address) should be verified, as well as the purpose of remitting the funds abroad, and any other important and necessary information. Private societies and foundations which have charitable and humanitarian objectives shall verify the continuous existence of the external party to whom the funds are remitted. They shall obtain all information, documents and correspondence used in respect of all funds remitted abroad and take adequate measures to control the remittances in respect of which the information is not complete for both parties



(name, address, account No., etc.). They shall further exercise utmost care and take all precautions against the possible risks of suspicious money laundering and terrorism financing operations and terrorist organizations.

3- Control Procedures and Training Programs

Programs shall be drawn for combating money laundering and terrorism financing operations. These programs shall, as a minimum, include the following:

3-1 Development and implementation of internal control policies and systems, including the designation of competent personnel at the level of senior management.

3-2 Drawing of on-going training programs for the personnel in order to keep them informed of the documents used in the field of money laundering and terrorism financing operations and other suspicious operations, thereby increasing their ability to identify those operations and their patterns and the methods of combating them.

4- Keeping of the Documents : Subject to the provisions of Item 1 above, the private societies and foundations which have charitable and humanitarian objectives shall, for a period of at least fifteen years, keep the registers required in connection with the financial deals conducted by them, both locally and internationally, so that they will be able to respond promptly to requests for information received from the Authority, courts or any other body authorized by law, so that these registers will allow full retrieval of the information which shall include the amount, currencies, if any, used, kind and date of the operation, place to which the remittance is made and the identity of the beneficiary, and any other documents such as photocopy of the passport or identity card and the account number). These documents should be made available for inspection by the competent bodies upon request.

5- Procedures for Reporting Suspicious Transactions:

5-1 Upon detecting any unusual financial remittances, the private society and foundation which has charitable and humanitarian objectives, for the purpose of finding out whether these suspicious remittances are or are not related to money laundering and terrorism financing operations, request the foreign beneficiary of the remittance to complete the required documents and state the justifications for these unusual remittances, provided that these measures shall be carried out within the framework of the general order and according to the customary procedures, without letting the external beneficiary know that these measures are related to the combating money laundering and terrorism financing.



5-2 The Financial Information Unit shall be notified in the event where the foreign party fails to respond to the request of the private society and foundation which has charitable and humanitarian objectives.

5-3 In the event where the private society and foundation which has charitable and humanitarian objectives detects a suspicious operation, the Follow-up Officer shall immediately notify the Financial Information Unit in order to take the necessary measures, and shall provide the Financial Information Unit with all the documents and information related to the suspicious operation. In doing so, neither the foundations nor their employees shall incur any kind of liability.

5-4 The form prepared by the Unit in cooperation with the Authority shall be used in connection with the remittances suspected of being related to money laundering and terrorism financing operations, provided that this form shall be sent to the Financial Information Unit by hand delivery, fax, electronic mail or similar means, and shall be treated confidentiality.

6- General Provisions : It shall be ensured that no financial remittances are made in an unofficial manner, and the necessary control procedures and systems shall be laid down to ensure implementation of this requirement:

6-1 The private societies and foundations which have charitable and humanitarian objectives and their boards of directors and employees shall be held directly liable under the law for their failure to implement the provisions of this Resolution.

6-2 The private societies and foundations which have charitable and humanitarian objectives and their managers and employees shall not alert their customers in the event where there is any suspicion concerning their activities, so that the suspicions may be verified through further monitoring and close attention.

6-3 A direct and prompt mechanism shall be put in place in order to enable the follow up officer to report the suspicious operations, while avoiding administrative obstacles in this regard.

6-4 Financial remittances shall not be implemented unless and until all the legal and procedural precautions and controls related to combating money laundering and financing terrorism have been carried out, all the details of identity of the customer and the beneficiary have been obtained, and the soundness and integrity of the financial translation have been verified.

6-5 Observe the provisions of the Law No. 13 of 2004, the Law No. 28 of 2002 concerning the laundering, as amended, and the Law No. 3 of 2004, particularly those provisions relating to the penalties that will be imposed upon employees in the event where they are accomplices to the crimes, where they



fail or neglect to report them or where they alert the customers about the procedures being taken concerning them.

6-6 Perform the procedures related to money laundering and terrorism financing during and after the execution of the financial remittances.

6-7 Without prejudice to any more severe punishment provided for by any other law, the offending private society or foundation shall be punished according to the provisions of Chapter 5 of the Law No. 13 of 2004, the Law No. 28 of the year 2002 concerning the combating of money laundering, and amended, and the Law No. 3 of 2004 concerning the combating of money laundering.

6-8 The work team of the Authority and the Financial Information Unit shall continue its visits to the private societies and foundations in order to inspect the procedures concerning money laundering and terrorism financing implemented by them and verify their full compliance with the instructions issued in this regard.





Section Six

DOHA SECURITIES MARKET COMMITTEE' DECISION NO. (16/3) FOR THE YEAR 2005, ON THE INSTRUCTIONS CONCERNING THE PROCEDURES FOR THE PROHIBITION AND COMBATING OF MONEY LAUNDERING AND FINANCING OF TERRORISM.

Having perused the Decree-Law No (15) For the Year 1993 On the Establishment of Qatar Central Bank as amended by the Decree-Law No. (19) for the year 1997, and;

- Decree-Law No. (22) for the Year 1993 the organization of the Ministry of Finance, Economy and Commerce and the Specification of its authorities, and;
- The Commercial Companies Law No. (5) for the Year 2002, and;
- Emiri Decree No. (1) for the Year 2002, On the Amendment of the Formation of the Council of Ministers, and;
- Law No.(14) for the Year 1995 On the Establishment of the Doha Securities Market, as amended by the Law No.(26) for the Year 2002, and;
- Law No. (28) for the Year 2002 On the Combating of Money Laundering as amended by the Decree-Law (21) for the Year 2003, and;
- Law No.(3) for the Year 2004 On the Combating of Terrorism, and the;
- Amendment of the Forty Recommendations and Nine, Issued By the International Financial Committee for Combating of Money Laundering and Financing of Terrorism, (FATF), and;
- The Administrative Decision No (30) for the Year 2004, Issued by the Governor of the Qatar Central Bank On the Establishment of the Financial Information Unit (FIU), We, the Doha Securities Market's Committee, have decided the following:

ARTICLE (1)

DEFINITIONS

Without prejudice to the definitions stated in the Law On the Combating of Money Laundering, each of the following words and/or expressions, shall, in the application of this Decision, have the meaning stated in front of



it, unless the content otherwise requires:

- **The Ministry:** The Ministry of Economy and Commerce.
- **The Bank:** The Qatar Central Bank (QCB).
- **The Committee:** The Committee of Doha Securities market
- **The Unit:** The Financial Information Unit (FIU).
- **The Market:** Doha Securities Market (DSM).
- **The Follow up Officer:** A person appointed by the Market, a Bank or by a Brokerage Firm whose duties consist in following up the execution of the instructions pertaining to the field of Money Laundering and Combating of Terrorism and the notification of the Financial Information Unit (FIU) of the suspect transactions.
- **The Customer:** Any natural or juristic person dealing or desiring to deal in financial securities.
- **Financial Securities:** The shares and debentures of the Qatari Joint-Stock Companies, promissory notes and Treasury Bonds issued by the Qatari government or any of the Qatari Public Corporations and institution, Investment Funds Units, or any other securities authorized for trading on the exchange.
- **Money Laundering:** The operations which are directly or indirectly related to the acts provided for in Article (2) of the Law No. (28) for the Year 2002 On Combating of Money Laundering and its amendments, or which by its nature contradict the personal and commercial normal activities that the Committee deems suspicious or upnormal in view of its volume, repetition, nature, surrounding circumstances and being carried out without apparent economic objective, or with illegal objective, even if the procedures for prohibition and Combating of Money Laundering are not applied adequately at the domicile of the Customer.
- **Dealing in Financial Securities:** The transactions of buying, selling, transferring of ownership and registering the listed securities for trading on the Market directly or through brokerage.
- **Broker:** A Qatari Company, Establishment, Bank, or Natural or juristic Person whom the Market Committee granted a license to carry on brokerage or activities.

ARTICLE (2)

The provisions of this Decision shall apply to the Market, the securities issuers, the companies and institutions authorized to receive subscription funds as well as securities Brokers and all natural and juristic persons trading in securities.

Those persons referred to in the preceding Para shall lay down their internal restrictions, procedures and rules which facilitate discovery and immediate notification of suspect transactions.



ARTICLE (3)

No company shall be listed in the Market unless the documents of incorporation thereof are complete and are in compliance with all legal requirements applicable in the state or in its state of incorporation.

ARTICLE (4)

No securities shall be listed in the Market unless the issuer is duly incorporated in accordance with the applicable state Law or in the state of incorporation of the company.

ARTICLE (5)

All banks and companies authorized to collect funds from any subscription process shall apply all precautionary measures applicable in the Combating of Money Laundering and Financing of Terrorism and shall verify the Customer's identity or its agent in reliance to official identification evidence and shall register such evidence for ascertaining the legitimacy of the sources of the Money used for paying the value of subscription in accordance with the Law On the Combating of Money Laundering and its amendments, and its implementary Decisions.

ARTICLE (6)

In opening financial securities accounts in the name of a customer with the Central Clearing Settlement and Depository System (including the accounts pertaining to the investment portfolios and investment funds, and the accounts pertaining custodians of securities or any account opened on behalf of a third party), the following particulars must be provided/submitted along with the application form:

1. Particulars of identity if the Customer is a natural person or agent. These particulars are:

- Full name
- Full Address
- Nationality
- Profession
- Complete details of identity card or passport

2. Particulars of Identity if the Customer is a juristic person:

- Name
- Legal Form
- Commercial Registration
- Objectives
- Address of main office and branch, if any,



- Particulars of the shareholders and main founders of the company:
- Names of members of the Board of Directors
- Name and address of the Legal representative of the company and details of his identity
 - Names of the persons authorized to sign on behalf of the juristic person and specimens of their signatures
 - The Memorandum and Articles of incorporation authenticated by the concerned authority in the state.

In opening securities accounts all particulars of the identity of the Customer, his agent or their representatives shall be recorded and verified.

The Customer shall submit copies of the above-mentioned documents whenever an amendment there is made.

ARTICLE (7)

A securities account shall not be opened if the Customer fails to satisfy or prove the information required in Article 6 of this Decision.

No securities shall be accepted in the Central Depository System unless the correctness thereof is certified by the concerned securities Registrar. The Customer shall submit to the Central Depository System any changes to the information referred to.

ARTICLE (8)

All entities that are subject to the provisions of this Decision by virtue of Article (2) hereof shall undertake to apply the following procedures:

I. Verification of Customer's Identity

I.1 Natural Person:

Identity and address of the natural person shall be verified by reference to a valid official identity document, a copy of which is to be attached to the application, when entering into any business relationship with the Customer, in carrying out transactions, providing services, managing property or any of the services provided for in Article 6 hereof.

I.2 Juristic Person:

1.2.1 Existence of the Customer, its legal status and form and continuation of its business in reliance to the official documents pertaining to the incorporation and licensing thereof



1.2.2 Existence of actual valid authorization of the person acting on behalf of the company/establishment and verification of the real owner, besides, verification of the correctness of signatures of applicants and opening of bank accounts outside Qatar through attestation by banks, chambers of Commerce or notary public outside Qatar besides, legalization of these documents by the Qatari Embassy and Ministry of Foreign Affairs or any other authority to be approved by the Market for this purpose.

ARTICLE (9)

Companies and Brokerage Firms may receive cash transactions with a value of each that does not exceed QR.30,000 or the equivalent thereof in foreign currency provided that companies and Brokerage Firms shall notify the Market thereof in accordance with the accompanying form. In this case, the identity of the Customer shall be verified by reference to official document, to be recorded down in entering into any transaction.

Verification of the transaction:

- The transactions, the value of each is above QR. 100,000 or the equivalent thereof in foreign currency shall be verified, besides, verification that these transactions are not exploited in Money laundering or Financing of Terrorism regardless of the values involved.
- The particulars of all financial and non-financial transactions shall be recorded in the records provided for in the law, regulations and Decisions applicable in the Market.
- All transactions of any person entering into a financial transaction the value of which exceeds QR. 100,000 shall be recorded in the books and records.
- Non-real and fictitious transactions shall not be entered into or executed with unknown names or by using identification document of dead persons.

Keeping of Documents.

The registers and records pertaining to the Customers, containing their identification and other documents and the documents of their agents, the files of accounts, correspondence of the transactions being executed shall be kept for a period of 15 years at the least.

These documents shall be available for the perusal of the Market and the Financial Information Unit (FIU) and the judicial authorities whenever required.

Procedures of notification of suspect transactions.

On discovery of any upnormal financial transaction the company or the brokerage firm may, for the purpose of proving the suspicion that these transactions



may relate to money laundering or financing of terrorism, require the Customer to complete the documents and submit the justifications for the upnormal transactions provided that these procedures shall be applied within the context of the orderliness and usual procedures without drawing the Customer's attention to the fact that such procedures relate to the Combating of money laundering and financing of terrorism.

The Financial Information Unit (FIU) shall be notified of the non-compliance of the Customer with the request of the company or brokerage firm besides, notification of the liaison officer of the Market.

On the company or brokerage firm discovering any suspect transaction the liaison officers thereof shall notify the Financial Information Unit (FIU) on an urgently basis besides, sending a copy of the notification to the Market's liaison Official for taking the necessary action. The Market shall be provided with all documents and information related to the suspect transaction. Provisions of such documents and information shall not be deemed to be contradictory to the confidentiality laws and shall not result in any responsibility on the notifying entity or its employees.

The accompanying form, prepared by the Unit in cooperation with the Market shall be adopted in respect of the suspect transactions of money laundering and financing of terrorism. The form shall be sent to the Unit by hand, fax or e-mail or any appropriate means and shall be deemed confidential.

Supervisory Procedures and Training Programs

Programs for the Combating of Money Laundering and Financing of Terrorism shall be laid down and shall at least contain the following:

- Development and application of internal supervisory systems including the appointment of qualified personnel at the administration level.
- Organization of continuous training programs for updating the staff of the new developments in the field of Money Laundering, Financing of Terrorism and suspect transactions with a view to raising their capabilities in discovering these transactions, reporting thereon, and notifying thereof.
- The companies and Brokerage Firms shall undertake to appoint liaison officers for the notification of the offences of Money Laundering and financing of terrorism to the Financial Information Unit (FIU) and sending of copies thereof to the liaison officers of the Market. Such liaison officers shall have experience of the national legislations and other rules and directives concerning money laundering.



- The entities that are subject to the provisions of this Decision shall not warn their employees on their suspect transactions but, should subject these transactions to more verification and precautionary measures.

ARTICLE (10)

The Market shall carry out periodical audits in a direct or indirect way of the trading, settlement, clearing, depository central systems and the shareholder's registers with the Central Depository Registration Systems with a view to verifying the correctness of the entities therein related to the Customers, their accounts and the transactions executed in their favor for ascertaining compliance with the regulations and Decisions of the Market and the provisions of this Decision.

ARTICLE (11)

Auditing of the companies, Brokerage Firms Custodian, and shareholders' records shall be carried out in accordance with the audit and inspection rules to be approved by the Market for the purpose of verifying the correctness of recording of the particulars and information related to the Customers in the records of these entities and of the implementation of the Decisions and orders given to them by the Customers in accordance with the Law, regulations and Decisions applicable in the Market.

ARTICLE (12)

An employee of the Market shall, when he/she knows, believes or has a reason to believe that any of the Customers is involved in a Money Laundering or Financing of Terrorism offence immediately notify the Liaison officer. The notification shall be in the form approved by the Market and all notification instances shall be recorded in a special record with the Market.

ARTICLE (13)

The Manager of the Market shall if he knows, believes or has reason to believe that any of the Customers is involved in a money laundering or financing of terrorism offence stop execution of the suspect transaction and apply a temporary precautionary measures on any security or money with the Central Registration System or Settlement bank until reception of instruction from the Financial Information Unit (FIU) or from the judicial authority in respect thereof.

ARTICLE (14)

All concerned persons shall satisfy the particulars, information, documents and records provided for in this Decision within a period of not less than 12 months from the date of application of this Decision.



ARTICLE (15)

GENERAL PROVISIONS

The entities subjected to the provisions of this Decision and their employees shall be legally responsible in a direct way for the non-application of the provisions hereof.

Without prejudice to any severe penalty provided for in any other Law the entity violating the provisions hereof shall be penalized in accordance with the provision of Law No. (28) for the Year 2002 On the Combating of Money Laundering and its amendments.

ARTICLE (16)

The instructions hereof shall be applied and any previous instructions in this respect that are contradictory hereof shall be repealed.



Financial Information Unit

To: All Banks Financial Institution & Financial Brokers

Name of the reporting Institution	Bank / Institution / Broker	Branch
	Department	
	Date	
	Reference No:	
	Signature of Compliance	

The suspect Customer	Name	
	Account No	
	Nationality	
	Place & Date of Birth	
	ID/Passport/Commercial register No.	
	Profession / Type of activity	
	Address	

Brief of the Suspicious transaction Details

Attached Documents

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Customer's account No. (if any)

Type of Acc Acc No. Currency Date of Opening the ACC authorized sig. Outstanding Balance of shares

.....
.....
.....



Section Seven

Instructions of the Public Authority for Customs and Ports

Resolution of the Director General of the Public Authority for Customs and Ports No. 5 of 2005 AD

Concerning the Procedures and Rules for Declaration and Inspection of luggage and property accompanying travelers or belonging to them

The Director General,

Having perused the Law Decree No. 17 of the year 2001 AD concerning the establishment of the Public Authority,

And the Customs Law No. 40 of the Year 2002 AD, particularly Article 59 thereof,

Has decided as follows :

Article (1)

Without prejudice to the provisions of Article 103 of the Customs Law referred to and the conditions and controls specified by the Executive Bylaw of the Law, the traveler shall declare to the Customs Department through which he enters the State any goods, luggage or materials that are subject to customs and other duties or that are subject to any prohibition or restriction as set forth in the aforesaid customs law or the legislations in force in the State, and shall declare any currency notes or medium that carries the same (things that take the place of money such as precious metals or documents) that are required to be declared in accordance with the law.

Article (2)

The goods and luggage mentioned in the preceding article shall be declared by using the form prescribed for this purpose, stating the traveler's name, nationality, number of the transport means, date of arrival, types and quantities of the goods and materials possessed, and a declaration of the truth of the data contained in the declaration.

The customs employee concerned may complete the said customs declaration on the basis of the declaration of the traveler or as a result of the inspection.



Article (3)

The competent employee shall inspect the data contained in the declaration and inspect the goods and materials accompanying the traveler, in whole or in part, as the case may require, evaluate them and state their value on the declaration form.

The customs and other duties due shall be collected according to the tariff in force, against the official receipt forms used for this purpose.

Article (4)

In the event where it is found upon inspection that there are goods or materials that have not been declared or that were concealed in places that are not designed for keeping such goods and materials, the competent employee shall retain these goods and materials and issue a report that establishes the occurrence of the event, and apply the aforesaid Customs Law.

Article (5)

The traveler shall declare the currency notes and the media carrying them (whatever represents money such as precious metals or documents) that are required by the law to be declared, on the form prescribed for this purpose.

The customs departments at the border stations shall be furnished with these forms. Air, marine and overland passenger carriage companies may also be furnished with these forms for distribution to the passengers for filling them in order to save time.

Article (6)

In the event where the traveler fails to make the declaration required under the preceding Article, or where his declaration is untrue or incomplete, he shall be deemed to have failed to declare and the competent employee shall enquire about the reason of such failure and record the full information about the identity of the traveler, his address and source of the currency notes and media carrying them and the purpose of carrying them, and, in the event where the employee suspects that the purpose thereof is money laundering and terrorism financing, he shall retain these currencies or media carrying the same and issue a receipt therefor, without prejudice to the application of the provisions of the aforesaid Customs Law in the event where the act constitutes a customs smuggling or violation.

In all events, the Authority shall notify the competent body in the State in order to follow up the matter.



Article (7)

The goods accompanying the traveler are supposed to be for his personal use only. In the event where it is found that the imported goods are commercial in nature, the passenger shall be requested to present a customs statement and perform the procedures of customs clearance as prescribed by the law, and customs fines shall be imposed where due.

Article (8)

Shall be excluded from the provisions of these resolution vehicles, cars, machines and equipment of all kinds, cigarettes, cigars and similar materials and alcoholic drinks.

Article (9)

All the departments and units of the Authority, within their respective jurisdiction, shall implement this resolution which shall come into force with effect from the issue hereof.

Resolution of the Chairman of the customs and ports general authority No (37) year 2006 amending the resolution no (5) of the year 2005 Regarding disclosure procedure, Licensing principles and inspection of passengers possessions.

Chairman of the authority :

After looking into the law decree no (71) of the year 2001 establishing the customs and ports general authority, and the customs law No (40) of the year 2002, especially article (59), and law No (28) the year 2002 regarding anti-money laundering as amended by the law decree No (21) of the year 2003, and the Amiri resolution No (25) of the year 2006 appointing the chairman of the customs and ports general authority and the resolution of the general manager of the customs and ports general authority No (5) of year (2005) regarding the procedure and principles of licensing and inspection of passengers possessions, we decide the following :

Article (1)

The provision of article (5) of the resolution No (5) of the year 2005, above - mentioned, shall replaced by the following:-

Article (5) : The competent customs officer, in case of doubt, shall require from the passengers to disclose what in their possession of cash currency or negotiable financial instruments by filling a form prepared for this purpose The



passenger shall be obliged to disclose all the cash currency and negotiable instruments regardless of its amount according to the order of the competent customs officer.

The custom divisions shall maintain sufficient quantity of the forms of both in Arabic and English languages to be provided for passengers who are requested to disclose in accordance with the provision of the article.

Article (2)

The expression “ the competent authority “ in the state mentioned in article (6) of the resolution No (5) of the year 2005 above mentioned shall be replaced by the expression “Financial Information unit “ at Qatar central Bank”

Article (3)

All administrations of the authority and its units, all within its competence shall implement this resolution and it shall come into force from the date of issue.

Ahmed Husein Ahmed AlHaiki

Chairman of the customs and ports General Authority

Issued on : 21-12-2006



Form

Disclosure of cash currency and bearer negotiable instruments

- 1- Date and day
- 2- Passenger name
- 3- Passport / ID no
- 4- Nationality
- 5- Details of flight / voyage & destination arrival / departure
- 6- Details of the sum in local currency or foreign currency

No	Type of currency or bearer negotiable instruments	Value
1		
2		
3		

- 7- Purpose of transportation of amount
- 8- Address in residence country
- 9- Address in destination country
- 10- Passenger signature

- II- Approval of the custom administration responsible



Section Eight

QFC ANTI MONEY LAUNDERING

REGULATIONS

QATAR FINANCIAL CENTRE
REGULATION NO. 3 of 2005
QFC ANTI MONEY LAUNDERING REGULATIONS

The Minister of Economy and Commerce hereby enacts the following regulations pursuant to Article 9 of Law No. (7) of 2005

Mohamed bin Ahmed bin Jassim Al Thani
Minister of Economy and Commerce of the State of Qatar

Issued at: The Qatar Financial Centre, Doha
On: 10 Shaaban 1426 A.H.
Corresponding to: 14 September 2005 A.D.

TABLE OF CONTENTS

TOC \o "1-2" \u PART 1: APPLICATION, COMMENCEMENT AND INTER-
PRETATION PAGeref _Toc114456779 \h 4

Article 1 - Citation	PAGeref _Toc114456780 \h 4
Article 2 - Application	PAGeref _Toc114456781 \h 4
Article 3 - Commencement	PAGeref _Toc114456782 \h 4
Article 4 - Language and interpretation	PAGeref _Toc114456783 \h 4
Article 5 - Waiver and Modification	PAGeref _Toc114456784 \h 4

PART 2: ANTI MONEY LAUNDERING IN THE QFC PAGeref _Toc114456785 \h 5

Article 6 - General Anti Money Laundering Compliance Requirements	PAGeref _Toc114456786 \h 5
Article 7 - Co-operation with Regulator	PAGeref _Toc114456787 \h 5
Article 8 - Appointment, Responsibilities and Duties of the MLRO	PAGeref _Toc114456788 \h 5
Article 9 - Customer Identification Requirements	PAGeref _Toc114456789 \h 7
Article 10 - Documentation and records	PAGeref _Toc114456790 \h 9
Article 11 - Reliance on others to verify identity	PAGeref _Toc114456791 \h 9
Article 12 - Correspondent Banks identification	PAGeref _Toc114456792 \h 10
Article 13 - Internal and External Reporting Requirements	PAGeref _Toc114456793 \h 10
Article 14 - Government, Regulatory and International Findings	PAGeref _Toc114456794 \h



12

Article 15 - Money Laundering Risks	PAGEREF_Toc114456795 \h 12
Article 16 - Transfer of Funds	PAGEREF_Toc114456796 \h 13
Article 17 - Staff Awareness and Training	PAGEREF_Toc114456797 \h 13

PART 3: INTERPRETATION AND DEFINITIONS	PAGEREF_Toc114456798 \h 15
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Article 18 - Interpretation	PAGEREF_Toc114456799 \h 15
Article 19 - Definitions	PAGEREF_Toc114456800 \h 16

PART I: APPLICATION, COMMENCEMENT AND INTERPRETATION

Article 1 - Citation

These Regulations may be referred to as the Anti Money Laundering Regulations 2005 or as the AML Regulations 2005.

Article 2 - Application

- (1) These Regulations are made by the Minister pursuant to Article 9 of the QFC Law and shall apply in the QFC.
- (2) Pursuant to Schedule 2 of the Financial Services Regulations enacted by the Minister with the consent of the Council of Ministers, all duties, functions and powers relating to monitoring, supervision and investigation, enforcement and related powers in respect of these Regulations are vested in the Regulatory Authority.
- (3) By virtue of Article 18 of the QFC Law, the criminal laws and sanctions of the State shall apply in the QFC.
- (4) These Regulations relate to regulatory requirements as opposed to requirements imposed by the criminal law. The contents of these Regulations should not be relied upon to interpret or determine the application of the criminal laws of the State.
- (5) These Regulations apply to every Relevant Person.
- (6) Some provisions of these Regulations also relate to the MLRO of an Authorised Firm in his capacity as an Approved Individual.
- (7) These Regulations apply to Relevant Persons only in relation to activities carried on in or from the QFC.

Article 3 - Commencement

These Regulations shall come into force on the date of their signature by the Minister.

Article 4 - Language and interpretation

In accordance with Article 9 of the QFC Law, these Regulations are written in the



English language and the English text thereof shall be the official original text. Any translation thereof into another language shall not be authoritative and in the event of any discrepancy between the English text of these Regulations and any other version, the English text shall prevail.

Words and expressions used in these Regulations and interpretative provisions applying to these Regulations are set out in Part 4.

Article 5 - Waiver and Modification

The Regulatory Authority may, on the application of a person in the QFC, or on its own initiative, disapply, modify or take any other action in respect of one or more provisions of these Regulations, provided it does so consistent with its powers, duties and requirements as set forth in Part 3 of the Financial Services Regulations.

PART 2: ANTI MONEY LAUNDERING IN THE QFC

Article 6 - General Anti Money Laundering Compliance Requirements

- (1) A Relevant Person must establish and maintain effective anti Money Laundering policies, procedures, systems and controls to prevent opportunities for Money Laundering, in relation to the Relevant Person and its activities.
- (2) A Relevant Person must set up and operate arrangements, including the appointment of a Money Laundering Reporting Officer (MLRO) in accordance with the duty in Article 8 which are designed to ensure that it is able to comply, and does comply, with the provisions of these Regulations.
- (3) A Relevant Person must take reasonable steps to ensure that its Employees comply with the relevant requirements of its anti Money Laundering policies, procedures, systems and controls.
- (4) A Relevant Person must review the effectiveness of its anti Money Laundering policies, procedures, systems and controls at least annually.
- (5) A Relevant Person which is a QFC Entity must ensure that its anti Money Laundering policies, procedures, systems and controls apply to any branch or subsidiary operating in another jurisdiction.
- (6) If another jurisdiction's laws or regulations prevent or inhibit a Relevant Person from complying with the Law No. (28) of 2002 on Anti Money Laundering or with these Regulations, the Relevant Person must promptly inform the Regulatory Authority in writing.

Article 7 - Co-operation with Regulator

A Relevant Person that receives a request for information from the FIU, an Overseas Regulator or other agency responsible for anti Money Laundering regarding enquiries into potential Money Laundering related to activities carried on in or from the QFC, must promptly inform the Regulatory Authority in writing.



Article 8 - Appointment, Responsibilities and Duties of the MLRO

- (1) A Relevant Person must appoint an individual to act as its MLRO and operate arrangements that are designed to ensure that it and the MLRO comply with the relevant obligations of these Regulations.
- (2) A Relevant Person must appoint an individual to act as a deputy of the Relevant Person's MLRO who must fulfil the role of MLRO in the MLRO's absence.
- (3) If the position of MLRO falls vacant, the Relevant Person must appoint another individual as its MLRO.
- (4) A Relevant Person must ensure that the MLRO is of sufficient seniority within the Relevant Person to enable him to:
 - (A) act on his own authority;
 - (B) have direct access to the senior management of the Relevant Person;
 - (C) have sufficient resources including, if necessary, an appropriate number of appropriately trained Employees to assist in the performance of his duties in an effective, objective and independent manner;
 - (D) have unrestricted access to information the Relevant Person has about the financial and business circumstances of a Customer or any person on whose behalf the Customer is or has been acting; and
 - (E) have unrestricted access to relevant information about the features of the Transactions which the Relevant Person has entered into or may have contemplated entering into with or for the Customer or that person.
- (5) A Relevant Person must ensure that its MLRO is responsible for all of its anti Money Laundering activities carried on in or from the QFC.
- (6) A Relevant Person must ensure that its MLRO carries out and is responsible for the following:
 - (A) establishing and maintaining the Relevant Person's anti Money Laundering policies, procedures, systems and controls and compliance with anti Money Laundering legislation and regulation applicable in the QFC;
 - (B) the day-to-day operations for compliance with the Relevant Person's anti Money Laundering policies, procedures, systems and controls;
 - (C) receiving internal Suspicious Transaction Reports from the Relevant Person's Employees;
 - (D) taking appropriate action pursuant to Article 13 following the receipt of an internal Suspicious Transaction Report from the Relevant Person's Employees;
 - (E) making, in accordance with Law No. (28) of 2002 on Anti Money Laundering or otherwise, external Suspicious Transaction Reports to the FIU and notifying the Regulatory Authority under Article 13(7);
 - (F) acting as the point of contact within the Relevant Person for the FIU, other competent Qatar authorities and the Regulatory Authority regarding Money



- Laundering issues;
- (G) responding promptly to any request for information made by the FIU, the QFC Authority, the Regulatory Authority or other competent State authorities;
 - (H) receiving and acting upon findings under Article 14;
 - (I) establishing and maintaining an appropriate anti Money Laundering training programme (whether by himself or someone else) and adequate awareness arrangements pursuant to Article 17; and
 - (J) making annual reports to the Relevant Person's senior management under Article 8(7).
- (7) The MLRO must report at least annually to the senior management of the Relevant Person on the following matters:
- (A) the Relevant Person's compliance with applicable anti Money Laundering laws including Articles, Rules and Regulations;
 - (B) the quality of the Relevant Person's anti Money Laundering policies, procedures, systems and controls;
 - (C) any findings under Article 14 and how the Relevant Person has taken them into account;
 - (D) any internal Suspicious Transaction Reports made by the Relevant Person's staff pursuant to Article 13 and action taken in respect of those reports, including the grounds for all decisions;
 - (E) any external Suspicious Transaction Reports made by the Relevant Person pursuant to Article 13 and action taken in respect of those reports including the grounds for all decisions;
 - (F) the results of the review under Article 6(4); and
 - (G) any other relevant matters related to Money Laundering as it concerns the Relevant Person's business.
- (8) A Relevant Person must ensure that its senior management promptly:
- (A) assess the report provided under Article 8(7);
 - (B) take action, as required subsequent to the findings of the report, in order to resolve any identified deficiencies; and
 - (C) make a record of their assessment in (A) and the action taken in (B).
- (9) The report provided under Article 8(7) and the records of the assessment and actions pursuant to Article 8(8)(B) must be documented in writing.
- (10) A complete copy of each document referred to in Article 8(9) must be provided to the Regulatory Authority promptly.

Article 9 - Customer Identification Requirements

- (1) A Relevant Person must establish and verify the identity of any Customer with or for whom the Relevant Person acts or proposes to act.
- (2) In establishing and verifying a Customer's true identity, a Relevant Person must obtain sufficient and satisfactory evidence having considered:



- (A) its risk assessment under Article 15 in respect of the Customer; and
 - (B) the relevant provisions of the AML Rulebook.
- (3) A Relevant Person must update as appropriate any Customer identification policies, procedures, systems and controls.
- (4) Whenever a Relevant Person comes into contact with a Customer with or for whom it acts or proposes to act, it must establish whether the Customer is acting on his own behalf or on the behalf of another person.
- (5) A Relevant Person must establish and verify the identity of both the Customer and any other person on whose behalf the Customer is acting or appears to be acting. This includes verification of the Beneficial Owner of the person and/or of any relevant funds, which may be the subject of a Transaction to be considered. In such cases the Relevant Person must obtain sufficient and satisfactory evidence of all of their identities.
- (6) Subject to Article 9(7), the obligations under Article 9(1) must be fulfilled as soon as reasonably practicable after the Relevant Person has contact with a Customer with a view to:
- (A) agreeing with the Customer to carry out an initial Transaction; or
 - (B) reaching an understanding (whether binding or not) with the Customer that it may carry out future Transactions
- and before the Relevant Person effects any Transaction on behalf of the Customer.
- (7) With regard to insurance business carried on in or from the QFC, if it is necessary for sound business reasons to enter into an insurance contract before the identification requirements under Article 9(6) can be completed a Relevant Person must have controls which ensure that any money received is not passed on to any person until the Customer identification requirements have been fulfilled.
- (8) If the Customer does not supply evidence of identity in a manner that permits the Relevant Person to comply with the requirements in Articles 9(6) or (7), the Relevant Person must:
- (A) discontinue any activity it is conducting for him; and
 - (B) bring to an end any understanding it has reached with him
- unless in either case the Relevant Person has informed the Regulatory Authority.
- (9) A Relevant Person must when it next has contact with a Customer who was an existing Customer, prior to the Relevant Person's licensing or authorisation by the QFC Authority or the Regulatory Authority, as the case may be, assess whether it has performed the identification of that Customer which would have been required had these Articles been applicable when the Customer became a Customer, and to obtain without delay any missing information or evidence about the true identity of all relevant parties.
- (10) A Relevant Person must ensure that the information and documentation concerning a Customer's identity remains accurate and up-to-date.



- (11) If at any time a Relevant Person becomes aware that it lacks sufficient information or documentation concerning a Customer's identification, or develops a concern about the accuracy of its current information or documentation, it must promptly obtain appropriate material to verify the Customer's identity.
- (12) Consistent with its powers, duties and requirements as set forth in Part 3 of the Financial Services Regulations the Regulatory Authority shall adopt rules implementing the provisions of this Article and shall identify in such rules any exceptions that will apply in respect of these requirements.

Article 10 - Documentation and records

- (1) All relevant information, correspondence and documentation used by a Relevant Person to verify a Customer's identity pursuant to Article 9(1) must be kept for at least six years from the date on which the business relationship with a Customer has ended.
- (2) If the date on which the business relationship with a Customer has ended remains unclear, it may be taken to have ended on the date of the completion of the last Transaction.
- (3) All relevant details of any Transaction carried out by the Relevant Person with or for a Customer must be kept for at least six years from the date on which the Transaction was completed.

Article 11 - Reliance on others to verify identity

- (1) A Relevant Person may outsource technical aspects of the Customer identification process to a qualified professional.
- (2) Where a Customer is introduced by another member of the Relevant Person's Group, a Relevant Person need not re-identify the Customer, provided that:
 - (A) the identity of the Customer has been verified by the other member of the Relevant Person's Group in a manner consistent with these Articles or equivalent international standards applying in FATF Countries;
 - (B) no exception from identification obligations has been applied in the original identification process; and
 - (C) a statement written in the English language is received from the introducing member of the Relevant Person's Group confirming that:
 - (i) the Customer has been identified with the relevant standards under (A) and (B);
 - (ii) any identification evidence can be accessed by the Relevant Person without delay; and
 - (iii) that the identification evidence is kept for at least six years.
- (3) If a Relevant Person is not satisfied that the Customer has been identified in a manner consistent with these Articles, the Relevant Person must perform the verification process itself.
- (4) Where Customer identification records are kept by the Relevant Person or other



persons outside the State, a Relevant Person must take reasonable steps to ensure that the records are held in a manner consistent with these Articles.

- (5) A Relevant Person must verify if there are secrecy or data protection legislation that would restrict access without delay to such data by the Relevant Person, the QFC Authority, the Regulatory Authority, the FIU or the law enforcement agencies of Qatar. Where such legislation exists, the Relevant Person must obtain without delay certified copies of the relevant identification evidence and keep these copies in a jurisdiction which allows access by all those persons.

Article 12 - Correspondent Banks identification

- (1) Prior to establishing a business relationship an Authorised Firm must establish and verify its Correspondent Banks identity in accordance with Article 9 by obtaining sufficient and satisfactory evidence of the identity.
- (2) An Authorised Firm that establishes, operates or maintains a Correspondent Account for a Correspondent Banking Client must ensure that it has arrangements to:
 - (A) conduct due diligence in respect of the opening of a Correspondent Account for a Correspondent Banking Client including measures to identify its:
 - (i) ownership and management structure;
 - (ii) major business activities and customer base;
 - (iii) location; and
 - (iv) intended purpose of the Correspondent Account;
 - (B) ensure that the Correspondent Banking Client has verified the identity of, and performs on-going due diligence on, its customers having direct access to the Correspondent Account and that the Correspondent Banking Client is able to provide customer due diligence information upon request to the Authorised Firm; and
 - (C) monitor Transactions processed through a Correspondent Account that has been opened by a Correspondent Banking Client, in order to detect and report any suspicion of Money Laundering.
- (3) An Authorised Firm must not:
 - (A) establish a correspondent banking relationship with a Shell Bank;
 - (B) establish or keep anonymous accounts or accounts in false names; or
 - (C) maintain a nominee account which is held in the name of one person, but controlled by or held for the benefit of another person whose identity has not been disclosed to the Authorised Firm.

Article 13 - Internal and External Reporting Requirements

- (1) A Relevant Person must have appropriate arrangements to ensure that whenever any Employee, acting in the ordinary course of his employment, either:



- (A) knows or suspects; or
 - (B) has reasonable grounds for knowing or suspecting that a person is engaged in Money Laundering or conduct relating to the financing of terrorism, that Employee promptly makes an internal Suspicious Transaction Report to the Relevant Person's MLRO.
- (2) A Relevant Person must have policies and procedures to ensure that disciplinary action can be taken against any Employee who fails to make such a report.
 - (3) The duties in Article 13(1) (internal reporting) and Article 13(7) (external reporting) do not apply where the Relevant Person is a professional legal adviser and the knowledge or suspicion or the reasonable grounds for knowing or suspecting are based on information or other matter which came to it in privileged circumstances.
 - (4) Information or other matter comes to a professional legal adviser in privileged circumstances if it is communicated or given to the adviser:
 - (A) by (or by a representative of) its client in connection with the giving by the adviser of legal advice to the client;
 - (B) by (or by a representative of) a person seeking legal advice from the adviser; or
 - (C) by a person in connection with legal proceedings or contemplated legal proceedings.
 - (5) The privileged circumstances in Article 13(4)(B) do not apply to information or other matter which is communicated or given with a view to furthering a criminal purpose or in contravention of a provision of any Regulations or Rules.
 - (6) "Professional legal adviser" includes any person who may come into possession of information or other matter in privileged circumstances.
 - (7) If a Relevant Person's MLRO receives an internal Suspicious Transaction Report he must without delay:
 - (A) investigate the circumstances in relation to which the report was made, including where necessary accessing any relevant "Know Your Client" information;
 - (B) determine whether in accordance with Law No. (28) of 2002 on Anti Money Laundering a corresponding external Suspicious Transaction Report must be made to the FIU;
 - (C) if required, make such an external report to the FIU; and
 - (D) where an external report is made to the FIU, notify the Regulatory Authority that such a report has been made and include general details of the report.
 - (8) The MLRO must document:
 - (A) the steps taken to investigate the circumstances in relation to which an internal Suspicious Transaction Report is made; and
 - (B) where no external Suspicious Transaction Report is made to the FIU, the reasons why no such report was made.
 - (9) All relevant details of any internal and external Suspicious Transaction Report



pursuant to Articles 13(1) and 13(7) must be kept for at least six years from the date on which the report was made.

- (10) A Relevant Person must ensure that if the MLRO decides to make an external Suspicious Transaction Report in accordance with Article 13, his decision is made independently and is not subject to the consent or approval of any other person.
- (11) An MLRO or other employee of a Relevant Person is not:
 - (A) liable to a proceeding;
 - (B) subject to a liability; nor
 - (C) in breach of any duty merely by reason of the making of an external Suspicious Transaction Report to the FIU if such Suspicious Transaction Report is made in good faith and in the reasonable belief that the information in the Suspicious Transaction Report is relevant to the functions of the FIU.
- (12) Relevant Persons must not carry out Transactions which they know or suspect or have reasonable grounds for knowing or suspecting to be related to Money Laundering until they have:
 - (A) informed the FIU pursuant to Article 13(7); and
 - (B) obtained the consent or non-objection of the FIU to proceed with the Transaction.

Article 14 - Government, Regulatory and International Findings

- (1) A Relevant Person must have arrangements to ensure that it obtains and makes proper use of any relevant findings issued by:
 - (A) the government of the State or any government departments in the State;
 - (B) the Central Bank of Qatar or the National Anti Money Laundering Committee or the FIU;
 - (C) the Financial Action Task Force (FATF);
 - (D) the QFC Authority;
 - (E) the Regulatory Authority; or
 - (F) The Gulf Co-operation Council.
- (2) The findings of a body in Article 14(1) are relevant findings for the purposes of Article 14(1) if they:
 - (A) include a finding or other conclusion that arrangements for restraining Money Laundering in a particular country or jurisdiction are materially deficient in comparison with one or more of the relevant, internationally accepted standards, including any recommendations published by the FATF, required of or recommended to countries and jurisdictions; or
 - (B) contain a finding or other conclusion concerning named persons, groups, organisations or entities or any other body where a suspicion of Money Laundering or terrorist financing exists.



Article 15 - Money Laundering Risks

Risk assessment

- (1) The anti Money Laundering policies, procedures, systems and controls of a Relevant Person must adequately address the Money Laundering risks which take into account any vulnerabilities of its products, services and Customers.
- (2) A Relevant Person must assess its risks in relation to Money Laundering and perform enhanced due diligence investigations for higher risk products, services and Customers having regard to guidance issued by the Regulatory Authority under Article 15(7).
- (3) A Relevant Person must be aware of any Money Laundering risks that may arise from new or developing technologies that might favour anonymity and take measures to prevent their use for the purpose of Money Laundering.

Risks regarding corruption and Politically Exposed Persons

- (4) A Relevant Person must have systems and controls to determine whether a Customer is a Politically Exposed Person.
- (5) When a Relevant Person has a Customer relationship with a Politically Exposed Person, it must have specific arrangements to address the risks associated with corruption and Politically Exposed Persons.

Suspicious transactions and transaction monitoring

- (6) A Relevant Person must establish and maintain policies, procedures, systems and controls in order to monitor for and detect suspicious Transactions.

Guidance on Money Laundering risks

- (7) The Regulatory Authority may make rules and issue guidance on Money Laundering risks for the purposes of this Article 15.

Article 16 - Transfer of Funds

- (1) Where a Relevant Person is a financial institution and makes a payment on behalf of a Customer to another financial institution using an electronic payment and message system, it must include the Customer's name, address and either an account number or a unique reference number in the payment instruction.
- (2) The requirement in Article 16(1) does not apply to a Relevant Person which:
 - (A) provides financial institutions with messages or other support systems for transmitting funds; or
 - (B) transfers funds to a financial institution where both the originator and the beneficiary are financial institutions acting on their own behalf.

Article 17 - Staff Awareness and Training

- (1) A Relevant Person must have arrangements to provide regular information and training to all Employees to ensure that they are aware of:
 - (A) the identity and responsibilities of the Relevant Person's MLRO and his deputy;
 - (B) applicable legislation relating to anti Money Laundering;



- (C) the potential effect on the Relevant Person, its Employees and its Customers of breaches of applicable legislation relating to Money Laundering;
 - (D) the Relevant Person's anti Money Laundering policies, procedures, systems and controls and any changes to these;
 - (E) Money Laundering risks, trends and techniques;
 - (F) the types of activity that may constitute suspicious activity in the context of the business in which an Employee is engaged that may warrant an internal Suspicious Transaction Report pursuant to Article 13;
 - (G) the Relevant Person's arrangements regarding the making of an internal Suspicious Transaction Report pursuant to Article 13;
 - (H) the use of findings pursuant to Article 14(1); and
 - (I) their individual responsibilities under the Relevant Person's arrangements made under these Regulations, including those for obtaining sufficient evidence of identity and recognising and reporting knowledge or suspicion of Money Laundering.
- (2) Information described under Article 17(1) must be brought to the attention of new Employees and must remain available to all Employees.
 - (3) A Relevant Person must have arrangements to ensure that:
 - (A) its anti Money Laundering training is up-to-date with Money Laundering trends and techniques;
 - (B) its anti Money Laundering training is appropriately tailored to the Relevant Person's different activities, services, Customers and indicates any different levels of Money Laundering risk and vulnerabilities; and
 - (C) all Employees receive anti Money Laundering training.
 - (4) A Relevant Person must conduct anti Money Laundering training sessions with sufficient frequency to ensure that within any period of 24 months it is provided to all Employees.
 - (5) All relevant details of the Relevant Person's anti Money Laundering training must be recorded, including:
 - (A) dates when the training was given;
 - (B) the nature of the training, and
 - (C) the names of the Employees who received the training.
 - (6) These records must be kept for at least six years from the date on which the training was given.

PART 3: INTERPRETATION AND DEFINITIONS

Article 18 - Interpretation

- (1) In these Regulations, a reference to:
 - a provision of any law or regulation includes a reference to that provision as amended or re-enacted from time to time;
 - an obligation to publish or cause to be published a particular document shall,



unless expressly provided otherwise in these Regulations, include publishing or causing to be published in printed or electronic form;

a calendar year shall mean a year of the Gregorian calendar;

a month shall mean a month of the Gregorian calendar;

the masculine gender includes the feminine and the neuter;

writing includes any form of representing or reproducing words in legible form;

and

references to a person includes any natural or judicial person, body corporate, or body unincorporate, including a branch, company, partnership unincorporated association, government or state.

(2) The headings in these Regulations shall not affect its interpretation.

(3) A reference in these Regulations to a Schedule, an Article or a Part using a short form description of such Article or Part in parenthesis are for convenience only and the short form description shall not affect the construction of the Article or Part to which it relates.

(4) A reference in these Regulations to a Part, Article or Schedule by number only, and without further identification, is a reference to a Part, Article or Schedule of that number in these Regulations.

(5) A reference in an Article or other division of these Regulations to a paragraph, sub-paragraph or Article by number or letter only, and without further identification, is a reference to a paragraph, sub-paragraph or Article of that number or letter contained in the Article or other division of these Regulations in which that reference occurs.

(6) Each of the Schedules to these Regulations shall have effect as if set out in these Regulations and references to these Regulations in which that reference occurs.

(7) Any reference in these Regulations to “include”, “including”, “in particular” “for example”, “such as” or similar expressions shall be considered as being by way of illustration or emphasis only and are not to be constructed so as to limit the generality of any words preceding them.

Article 19 - Definitions

Save as appears below, the words and phrases used in these Regulations shall have the meanings given to them by Article 110 of the Financial Services Regulation (“FSR”). The following words and phrases used in these Regulations shall where the context permits have the meanings shown against each of them:-

AML Rulebook

the Regulatory Authority Anti Money Laundering Rulebook

Beneficial Owner

(1) the natural person(s) who own(s) or control(s) directly or indirectly 10% or more of the shares of a legal person, not being a company listed on an official stock exchange;



- (2) the natural person(s) who directly or indirectly is beneficiary to 10% or more of the property of a legal person or trust, not being a company listed on an official stock exchange; or
- (3) the natural person(s) on whose behalf a transaction or activity is being conducted
Correspondent Account
an account opened on behalf of a Correspondent Banking Client to receive deposits from, to make payments on behalf of or to otherwise handle financial Transactions for or on behalf of the Correspondent Banking Client

Correspondent Bank

a bank in a place or jurisdiction other than the QFC where an Authorised Firm opens a Correspondent Account

Correspondent Banking Client

a client of an Authorised Firm which uses the Authorised Firm's correspondent banking services account to clear Transactions for its own customer base

Criminal Conduct

conduct which constitutes an offence in the State

Criminal Property

- (1) Property that constitutes a person's benefit from criminal conduct or represents such a benefit (in whole or part and whether directly or indirectly) if the alleged offender knows or suspects that it constitutes or represents such a benefit; and
- (2) for these purposes it is immaterial:
 - (A) who carried out the conduct;
 - (B) who benefited from it; and
 - (C) when the conduct occurred

Customer

(in relation to a Relevant Person) any person engaged in, or who has had contact with the Relevant Person with a view to engaging in, any Transaction with that Relevant Person

- (A) on his own behalf; or
- (B) as agent for or on behalf of another

Employee

(in relation to a person) an individual:

- (A) who is employed or appointed by the person in connection with that person's business, whether under a contract of service or for services or otherwise; or
- (B) whose services, under an arrangement between that person and a third party,



are placed at the disposal and under the control of that person

FATF Country

a country which is a member, either directly or through a representative body, of the FATF

FATF

the Financial Action Task Force on Money Laundering, the inter-governmental body responsible for developing and promoting policies to combat money laundering and terrorist financing and any successor body thereto

FIU

the Financial Information Unit of the Central Bank of Qatar

FSR

Regulation No. 1 of 2005, QFC Financial Services Regulations

MLRO

(in respect of a Relevant Person) a person appointed to act as the money laundering reporting officer of that Relevant Person in accordance with the duty in Article 8 of these Regulations

Money Laundering

the following conduct when committed intentionally:

- (A) any act which constitutes an offence under Article 2 of Law (28) of 2002 on Anti Money Laundering (as amended by virtue of Decree-Law No. (21) of 2003 – O.G. 11/2003);
- (B) any act which involves Criminal Property and which act constitutes an offence under the Articles of Law No. (11) of 2004 (Penal Code);
- (C) any act which finances the commission of an offence under the Articles of Law No. (3) of 2004 (Combating Terrorism);
- (D) the conversion or transfer of Property, knowing that such property is derived from Criminal Conduct or from an act of participation in such conduct, for the purpose of concealing or disguising the illicit origin of the Property or of assisting any person who is involved in the commission of such conduct to evade the legal consequences of his action;
- (E) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of Property, knowing that such Property is derived from Criminal Conduct or from an act of participation in such conduct;
- (F) the acquisition, possession or use of Property, knowing, at the time of receipt, that such Property was derived from Criminal Conduct or from an act of participation in such conduct;
- (G) the provision or collection of lawful Property, by any means, with the intention that it should be used or in the knowledge that it is to be used, in full or in part, for terrorism;
- (H) any act which constitutes participation in, association with or conspiracy to



- commit, attempts or incitement to commit an offence specified in paragraph (A), (B) or (C) or an act specified in paragraph (D), (E), (F) or (G); or
- (I) any act which constitutes aiding, abetting, facilitating, counselling or procuring the commission of an offence specified in paragraph (A), (B) or (C) or an act specified in paragraph (D), (E), (F) or (G).

Politically Exposed Person

natural persons who may constitute a reputational risk and who are or have been entrusted with prominent public functions, such as Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials; and close family members or close associates of any of those persons

Property

property of any form including:

- (A) money;
- (B) all forms of property, real or personal, heritable or moveable; and
- (C) things in action and other intangible or incorporeal property

Relevant Person

a person who carries on any Regulated Activities and/or a person who conducts, and in so far as they conduct, any of the following activities:

- (A) the business of providing the professional services of audit, accounting, tax consulting, legal and notarisaton;
- (B) the provision, formation, operation and administration of trusts and similar arrangements of all kinds; and
- (C) company services including, the business of provision, formation, operation and management of companies

Shell Bank

a credit institution incorporated in a jurisdiction in which it has no physical presence, including meaningful mind and management, and which is not affiliated with a regulated financial group

Suspicious Transaction Report

an internal report made in accordance with Article 13(I) or an external report made in accordance with Article 13(7)(C)

Transaction

any transaction, including the giving of advice and any other business or service undertaken by a Relevant Person in the course of carrying on a business in or from the QFC



Anti Money Laundering Regulations

PAGE 2

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Anti Money Laundering Regulations

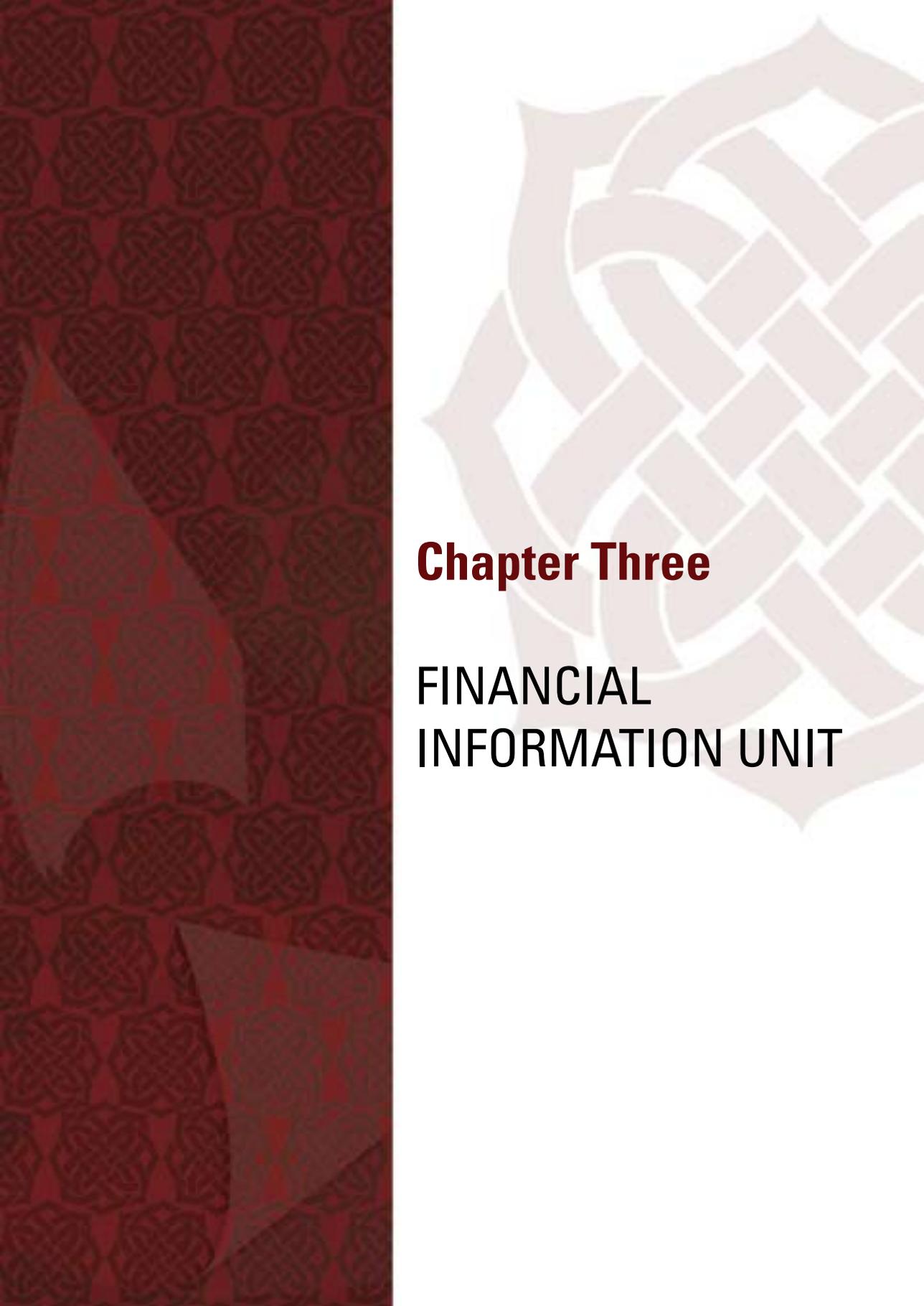
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Chapter Three

FINANCIAL INFORMATION UNIT



Section One

August 31, 2004
NC/1/2004

Administrative Order No. (I-2004) Establishing The Financial Intelligence Unit (FIU) And Its Organizational Structure

- After having perused the Anti-Money Laundering Law No. (28) for the year (2002), as amended by Decree Law No. (21) for the year (2003);
- Decree No. (2) of the National Anti-Money Laundering Committee, taken in its second meeting on 18 February, 2004, on the establishment of the Financial Intelligence Unit;
- The Council of Ministers' approval, given on 7 April, 2004, of a draft law decree amending Law No. (28) for the year (2002), stipulating the establishment of a financial intelligence unit; and
- For the good of the public,

The following provisions are hereby decided :

Article (1)

A central independent unit named the Financial Intelligence Unit shall be established in the National Anti-Money Laundering Committee and shall be located in Qatar Central bank.

Article (2)

The chairman of the National Anti-Money Laundering Committee shall issue a decree nominating the head of the unit and approving its organizational structure and financial budget.

Article (3)

The financial intelligence unit shall have the following powers and responsibilities:

1. Receiving suspicious transaction reports related to money laundering and terrorism financing from all the concerned entities in the state directly (including all financial and non-financial institutions and law enforcement agencies).
2. Analyzing suspicious transaction reports and taking appropriate decisions thereon.
3. Filing the suspicious transaction reports proved not to be suspicious and forwarding the ones it deems suspicious to law enforcement agencies and the Public



Prosecution. The unit may request further investigations from all law enforcement agencies regarding information contained in suspicious transaction reports.

4. Exchanging information with counterpart financial intelligence units and international bodies and organizations, in accordance with the provisions of the Anti-Money Laundering Law and its amendments and the principles of exchanging information issued by the Egmont Group.

Article (4)

The information referred to in the above Article shall include information relating to money transfers, suspicious transaction, currency exchange and any other banking or financial transactions.

Article (5)

The head of the financial intelligence unit shall be responsible for discharging its work, taking appropriate decisions in all the functions it carries out and shall represent it in meetings, seminars and official missions.

Article (6)

Responsibilities of financial institutions, Regulatory and administrative bodies, and law enforcement agencies.

- 6.1 Sending suspicious transaction reports directly to the unit, and providing it with any information or related documents it may request, through any media, and without any unjustified delay.
- 6.2 Appointing a compliance officer, who shall primarily ensure the compliance of his employer institution with the regulations related to combating money laundering and terrorism financing, and send all suspicious transaction reports directly to the unit. The Compliance officer shall exercise his job independently and shall be directly responsible to the head of the FIU.
- 6.3 The compliance officer shall carry out his duties and responsibilities in a free and independent way that enables him to provide the information, data and official papers to the unit promptly.

Article (7)

The unit shall feed back reporting institutions regarding the decisions taken on the suspicious transaction reports.

Article (8)

The attached organizational structure and job descriptions of the financial intelligence Unit shall be approved.

Article (9)

Any person violating the provisions of this Decree shall be subject to the pen-



alties stipulated in the Anti-Money Laundering and Combating Terrorism Laws and any subsequent amendments thereof.

Article (10)

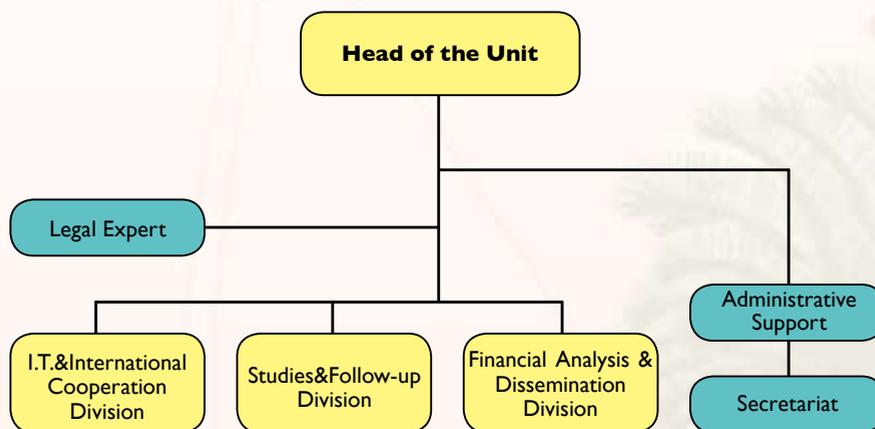
This order shall be in force as from today.

Fahad Faisal Al-Thani

Chairman of the National AML Committee

Section Two

The Organizational structure of the unit



1- Division – Analysis and Dissemination

It is responsible for:

- 1- Receiving the suspicious operations reports from all parties on the forms designated for this purpose.
- 2- Recording the reports in special registers and giving each of them a serial number.
- 3- Collecting information, papers and documents.
- 4- Seeking the assistance of the security bodies (when needed) for conducting additional investigations.
- 5- Conducting a financial analysis of the suspicious transactions and taking appropriate decisions concerning them.
- 6- Requesting the issue of attachment orders.
- 7- Referring to the competent legal authorities the transactions in respect of which the suspicious has been verified.
- 8- Receiving replies from the legal bodies and notifying the reporting parties of such replies.
- 9- Receiving the alert releases from the security bodies and taking the decision to circularize them to the competent authorities.

2- Division: Studies and Follow up

It is responsible for:

- Conducting studies and research work on indicators, methods and patterns of money laundering, terrorist financing and the methods of combating them co-



ordination and cooperation with the National Committee for Combating Money Laundering and Terrorist Financing.

- Preparing half-yearly reports that contain report analyses, results of the analyses and crime trends.
- Following up the latest developments at the financial units through participation in the various forums and seminars conducted by regional and international organizations and bodies.
- Following up the observance by the various parties of the instructions issued to them in the field of combating money laundering and terrorist financing.

3 – Division: IT & International Cooperation

It is responsible for:

- Taking all actions related to the establishment and operation of computer programs.
- Providing technical support in the field of computers.
- Establishing a data base and supplying it with all information received.
- Establishing and operating a file net.
- Exchanging information with the corresponding units subject to pre-set controls.

The Legal Advisor

He provides legal support and advice in all legal, legislative and judicial aspects related to the business of the unit.



Section Three

Resolution granting the “Judicial Officer” Capacity to the Head of the Financial Information Unit (FIU)

Resolution No. (I) of 2005 AD Authorizing the Member of the National Anti-Money Laundering Committee (NAMLC) of Qatar Central Bank to act in the Capacity of Case Establishment Judicial Officer

The Public Prosecutor

Having perused the Law No. 23 of 2004 AD on the issuance of the Criminal Procedures Law, and particularly Article 27 thereof; the anti-money laundering Law No. 28 of 2002 AD and its amendments; and the proposal of the Governor of Qatar Central Bank;

Decided as follows :

Article (1)

The NAMLC Member and Head of the Financial Information Unit (FIU) of Qatar Central Bank, Sheikh / Ahmed Bin Eid Al Thani, shall serve as Case Establishment Judicial Officer in the establishment and proving of crimes committed in violation of the provisions of the aforementioned Law No. 28 of 2002 AD and the resolutions executing the said law.

Article (2)

All competent authorities shall, within their respective jurisdictions, implement this law which shall become effective from the date of its promulgation and shall be published in the Official Gazette.

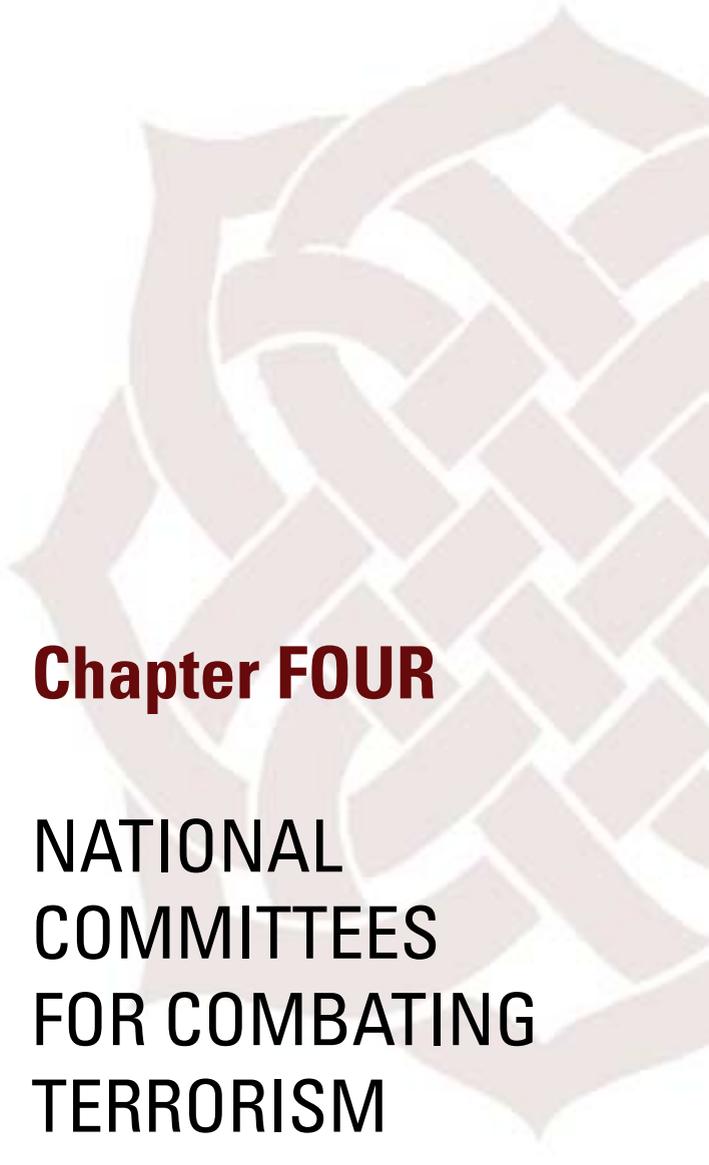
Dr. Ali Bin Fatis Al-Marri

Public Prosecutor

Issued on 25/11/1425 AH

Corresponding to: 6/1/2005 AD





Chapter FOUR

NATIONAL COMMITTEES FOR COMBATING TERRORISM



Section One

National Committees for Combating Terrorism

First: Coordinative Committee

Pursuant to the provisions of the Security Council Resolution No. (1373) of 2001 AD, passed on 28 September 2001 to combat terrorism by criminalizing terrorist acts and freezing funds and other financial assets of persons who commit terrorist acts or participate in the commission of terrorist acts; the Council of Ministers passed in its fourth ordinary meeting of 2002 AD, held on 17/1/2002 AD a resolution regarding the formation of a joint committee to coordinate efforts between all concerned parties in the State in view of executing the measures set forth in the Security Council Resolution No. (1373) on combating terrorism.

The said committee comprises representatives of the Ministry of Civil Services Affairs and Housing, Ministry of Finance, Ministry of Economy and Commerce, Ministry of Interior, Ministry of Awqaf and Islamic Affairs, Qatar Central Bank and Qatar Chamber of Commerce and Industry. The Committee is presided over by the representative of the Ministry of Civil Services Affairs and Housing.

Since its formation, the Coordinative Committee has held numerous meetings and adopted necessary procedures to apply the Security Council resolutions on all concerned parties. The committee will continue its efforts to apply the Security Council resolutions on combating terrorism.

In the framework of coordination and cooperation, the International Organizations and Conferences Department of the Ministry of Foreign Affairs provides the Coordinative Committee members constantly with all work papers and reports of the regional and international seminars on the financing of terrorism, specifically the GCC-EU countries joint seminar on combating the financing of terrorism, held between 5 and 6 March 2005 AD, in Abu Dhabi City, UAE.

Similarly, the Qatar's Permanent Delegation to the UN keeps sending every report and statement issued by the Security Council and the Coordinative Committee members are constantly updated thereon.

**This Committee is Cancelled Upon Establishing
the National Terrorism Fighting Committee**



Second: The National Terrorism Fighting Committee

H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar ratified yesterday the Council of Minister resolution on the establishment of the National Terrorism Fighting Committee. The resolution stipulates that the latter becomes effective and is implemented from the date of its promulgation and it should be published in the official gazette. Below is the text of the resolution:

Council of Ministers Resolution No. 7 of 2007 on the Establishment of the Terrorism Fighting Committee

The Council of Ministers, having perused the Constitution; the Amiri Resolution No. (39) of 1996 regarding the Council of Ministers resolutions submitted to the Emir for ratification and promulgation; the Council of Ministers Resolutions No. (9) of 1993 regulating the work of joint and specialized committees, and its resolutions amending; and the proposal of the Minister of Interior; has decided as follows:

Article (I)

There shall be formed in the Ministry of Interior a committee called the National Terrorism Fighting Committee comprising two representatives of the Ministry of Interior, one of them to be President, and a representative member of the following authorities:

- Qatari Armed Forces
- State Security Bureau
- Internal Security Forces
- Ministry of Civil Services Affairs and Housing
- Ministry of Finance
- Ministry of Economy and Commerce
- Ministry of Justice
- Ministry of Awqaf and Islamic Affairs
- General Secretariat of the Council of Ministers
- Qatar Central Bank
- General Authority for Customs and Ports
- Qatar Chamber of Commerce and Industry

Each authority shall select an individual to represent it in the committee. The president, vice-president and members are nominated pursuant to a resolution issued by the Minister of Interior. The committee shall select a vice-president from among its members.

The committee shall have a reporter and a number of the Ministry of Interior employees to perform secretarial works. The latter shall be delegated and their



responsibilities and benefits shall be determined by virtue of a Resolution issued by the Minister of Interior.

Article (2)

The committee member shall serve a three-year term renewable for one or more similar terms.

Article (3)

The committee shall be competent to exercise the following responsibilities:

- 1- Lay down policies, plans and programs related to terrorism fighting
- 2- Coordinate efforts between all concerned parties in the State in view of executing the measures set forth in the Security Council Resolution No. (1373) on combating terrorism
- 3- Seek to achieve the objectives set forth in the international conventions concerned with combating terrorism and to which the State has acceded or which it has ratified.
- 4- Increase public awareness of terrorism risks and support the citizen contribution to combat terrorism
- 5- Participate in the State conferences' delegations and the UN committees concerned with terrorism

Article (4)

The committee shall meet upon invitation by the President, once every two weeks, and whenever required. Meetings shall be scheduled outside official working hours and they may, if necessary, be held during official working hours.

The committee meetings are considered valid only if attended by the majority of members, including the president and the vice-president. The committee recommendations are passed by a majority of those present. In case of a tie vote, the President shall tie the decisive vote.

The committee shall lay down a work schedule, including the rules required for the exercise of its responsibilities.

Article (5)

The committee shall have power to form working groups from among its members or other specialized technicians, or delegate any member to study any subject that falls within its responsibilities. It may also seek the assistance of competent experts to conduct any studies necessary for laying down the national plan for combating terrorism and to offer any required consultation, information or clarification.

Article (6)

The committee may request any party to submit any such documents or state-



ments as it may deem appropriate in fulfilling its responsibilities.

Article (7)

All data and information obtained by the committee shall remain confidential information. This information may not be disclosed by the committee members or workers.

Article (8)

The committee shall submit a semestrial progress report on its work along with its recommendations and proposals, and whenever required to do so.

Article (9)

The committee president, vice-president and members shall receive a monthly benefit of (4000) four thousand Riyals. The provisions of the aforementioned Council of Ministers Resolution No. (9) of 1993 shall apply with respect to the said benefit.

Article (10)

The committee - formed in pursuance of the two Council of Ministers resolutions issued in its two ordinary meetings (the third and the twenty seventh) of 2002 regarding the formation of a joint committee to coordinate efforts between all concerned parties in the State in view of applying the measures set forth in the Security Council Resolution No. 1373 of 2001 on combating terrorism – shall be cancelled.

Article (11)

All competent authorities shall, within their respective jurisdictions, implement this law which shall become effective from the date of its promulgation and shall be published in the Official Gazette.

Abdullah Bin Khalifa Al Thani **Prime Minister**

We ratify the present resolution which shall be promulgated

Hamad Bin Khalifa Al Thani

Emir of the State of Qatar

Issued in the Amiri Diwan on: 7/3/1428 AH

Corresponding to: 26/3/2007 AD



Section Two

Role of Qatar Central Bank in the implementation of Security Council Resolutions on freezing the funds and financial assets of persons and entities which are mentioned in the lists annexed thereto

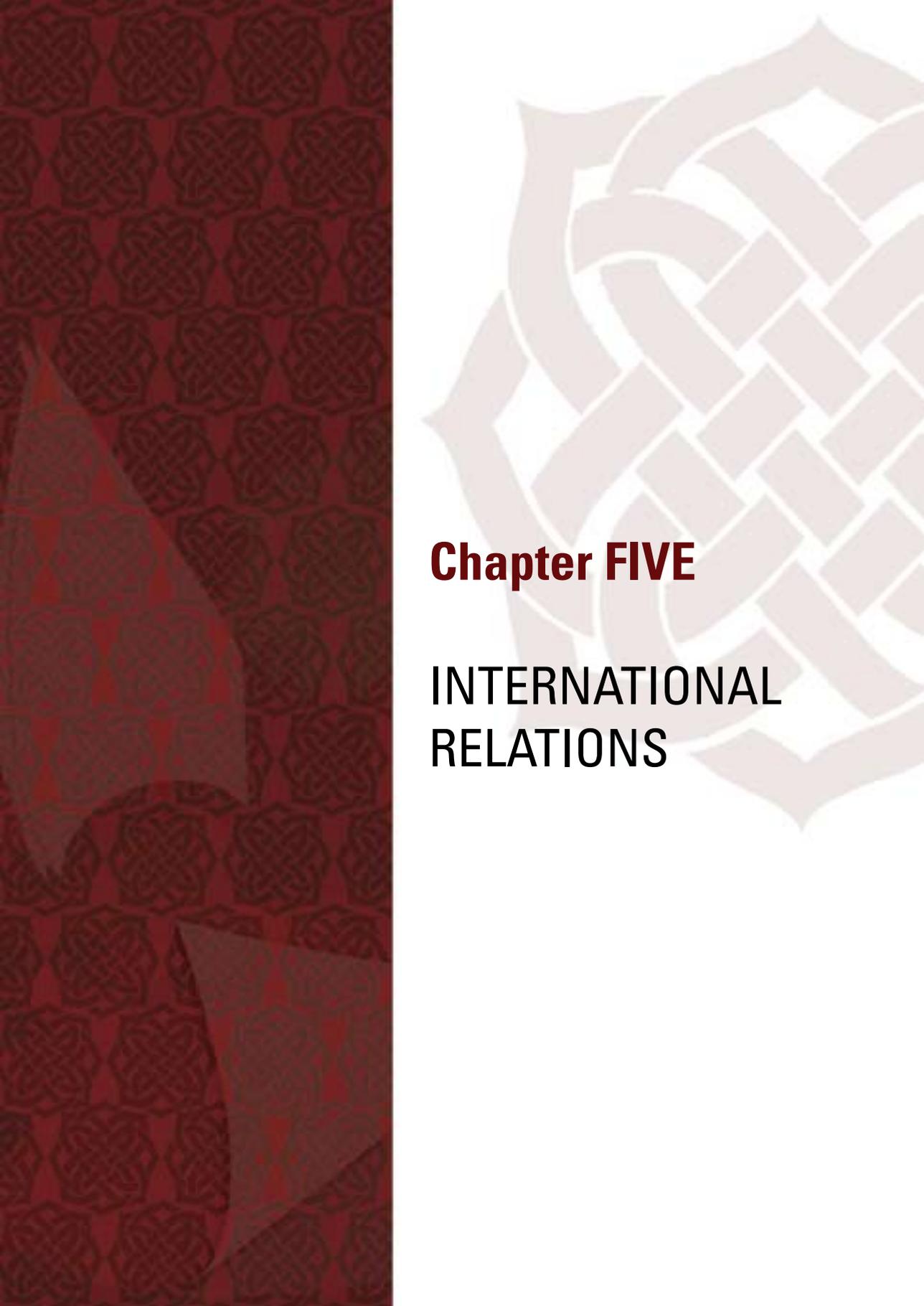
- Qatar Central Bank, in its capacity as the control authority which supervises financial institutions in Qatar, receives letters from the Ministry of Foreign Affairs, with annexed lists of the names of persons and entities whose funds and financial assets should be frozen pursuant to Security Council resolutions.

- Circulars shall also be prepared to define the freezing procedures, and shall be sent to banks and investment companies in the State of Qatar. These circulars shall be annexed to the aforesaid lists, and a particular period of time shall be fixed to receive responses about the presence or absence of accounts or transactions for the listed persons and entities.

- After receiving responses, the Bank shall send a letter to the Ministry of Foreign Affairs, clarifying the outcome of the Bank's actions regarding the freezing of suspicious balances and assets.

- In some cases, the bank receives letters from the International Monetary Fund (IMF) and the Security Council, inquiring about the measures taken regarding the freezing of assets. In such case, experts shall prepare the suitable response and send it to the Ministry of Foreign Affairs, or shall directly respond with the Bank's knowledge.

- The Bank shall keep, among its records, all relevant correspondence.



Chapter FIVE

INTERNATIONAL RELATIONS



Section One

Membership of Qatar in the AML/CFT Financial Action Task Force (FATF)

The State of Qatar is a member of the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Financial Action Task Force (FATF). However, its membership is not direct but comes as a result of the membership of GCC General Secretariat in the FATF as a regional organization comprised of six Gulf countries, namely Qatar, Kingdom of Saudi Arabia, Kingdom of Bahrain, the United Arab Emirates, Sultanate of Oman and Kuwait.

The General Secretary became a member of the FATF in the early nineties, thereby proving the keen interest of Gulf countries to join an international organization aimed at combating money laundering and terrorist financing crimes.

Moreover, the collective accession of Gulf countries to FATF, under the umbrella of the General Secretariat, reveals the strong cooperation and union among these countries which have similar natures and living conditions.

The Financial Action Task Force (FATF) is commonly known as a joint authority of governments. It was created, in 1989, by the seven greatest powers namely Canada, France, Germany, Italy, the United Kingdom, and the United States, to develop and encourage a global AML response. The FATF extended the scope of its competence to cover combating the financing of terrorism.

The FATF is considered as a policy-making authority which combines legal, financial and law enforcement experts to undertake the necessary reforms of laws and regulations related to AML/CFT. The FATF is currently composed of 31 countries and two regional organizations, and it works in cooperation and collaboration with many other international authorities and organizations.

The main tasks of FATF include :

- 1- Following up the progress made by countries in the implementation of AML/CFT measures.
- 2- Reviewing AML/CFT trends and methods
- 3- Encouraging compliance with the FATF international standards, namely Recommendations 40 + 9.

These recommendations represent a global AML/CFT framework.

Although the aforesaid recommendations are not binding laws, they are fully ratified and approved by the international community and the related organizations since they are considered as an international AML/CFT benchmark.



Section Two

Qatar's Contribution to the Creation of the Middle East North Africa Financial Action Task Force (MENA FATF)

In view of Qatar's interest to become a member of the AML/CFT international organization, and in order to confirm its positive contribution and active role in the efforts exerted in this regard, a senior delegation from Qatar made a visit to the Kingdom of Bahrain on 29 and 30 November 2004.

The delegation represented Qatar in the ministerial meeting for the inauguration of the MENA FATF.

The following actions were undertaken at the meeting :

- The establishment of MENA FATF was announced.
- The memorandum of understanding was signed.
- The President, Vice-president and Executive Secretary of MENA FATF were appointed.
- Members agreed to apply for observer's status at the FATF.
- In addition to many other aspects related to the meeting.

The MENA FATF held its first meeting in the Kingdom of Bahrain on 11 and 12 April 2005 with the participation of a senior Qatari delegation. Members discussed the agenda items and issued many important recommendations related to the following aspects:

- MENA FATF Action Plan
- MENA FATF Rules of Procedure
- Appointing the necessary employees for the MENA FATF
- Approving the proposed MENA FATF budget of 2005.
- Creating two working groups for mutual evaluation and training, in addition to three ad hoc committees for Hawala, money transfers and charitable associations.

The Committee of Money Transfers is composed of Qatar, Kuwait and the UAE, and is presided by Qatar.

The MENA FATF is a flexible and cooperative authority, established as per an agreement among its members. It does not emanate from an international convention, and is independent from any other international authority or corporation. The MENA FATF determines its work, systems and procedures unanimously, but



it cooperates with other international organizations, notably the FATF, to attain its goals.

The MENA FATF objectives are as follows :

- Adopt and implement the FATF 40 Recommendations on AML
- Adopt and implement the FATF Special Recommendations on CFT
- Implement the UN conventions and agreements, and Security Council Resolutions related to AML/CFT
 - Cooperate to strengthen abidance by these standards and measures in the MENA FATF, and work closely with other international organizations to increase the compliance with such standards and measures worldwide
 - Cooperate to identify AML/CFT regional issues, exchange expertise and develop regional solutions to settle such issues
 - Implement effective measures in the region to combat money laundering and terrorism financing efficiently, in accordance with the cultural values, constitutional framework and legal systems of member states.

The MENA FATF established a set of standards which should be met by countries/organizations to become members therein:

I- Standards to become a member in the MENAFATF :

Any new country which would like to apply for a member status in the MENA FATF should meet the following standards :

1. It should be a country from the MENA region
2. It should have AML/CFT laws or should, at least, be taking effective measures to promulgate such laws
3. It should be implementing or taking measures to implement the UN conventions and Security Council Resolutions related to AML/CFT
4. It should adopt the FATF 40 Recommendations on AML, in addition to the 9 Special Recommendations on CFT, and any amendments thereto
5. The membership of the country in the MENAFATF should not affect the viability of the efficient and effective work of MENA FATF.

II- Standards for the Observer's Status in the MENAFATF:

The following standards should be met by non-MENA countries applying for an observer's status in the MENAFATF, or by international and regional organizations, or by MENA countries which have already applied for membership but their requests were not settled:

- I- The country should be from outside the MENA region and should be com-



pliant with AML/CFT international standards

2- The country should have a wide experience in AML/CFT and should set the objectives and results of applying for an observer's status, in addition to the fields where it can offer assistance to the MENA FATF. The country should also determine the benefits which are expected to be reaped from the observer's status.

3- The country may be from the MENA region, but it should have already applied for membership and its request should have remained unsettled.

4- The organization applying for membership should be international or regional, and should not be operating according to the private sector mechanisms.

5- The organization should have a wide experience in AML/CFT and should set the objectives and results of applying for an observer's status, in addition to the fields where it can offer assistance to the MENA FATF. The organization should also determine the benefits which are expected to be reaped from the observer's status.

6- The organization applying for an observer's status should play a crucial and influencing role in its field of work.

7- The observer's status of the country/organization should not affect the viability of its efficient and effective work.

8- The organization should be one of the counterpart regional organizations which are "associate members" in the FATF, and should agree on the principle of reciprocity by providing the FATF with an observer's status therein.

Some executive measures should be implemented when joining the MENA FATF or when acquiring an observer's status therein. These measures are as follows :

I- A letter should be addressed to the President of the MENAFATF – through the Secretariat, and should be signed by an official party authorized to represent the Government, or by the President of the Organization, provided that this letter expressly provides for:

- The will of the Government/ Organization to join the MENA FATF or to have an observer's status therein.

- A commitment to the memorandum of association and any future amendments thereto, and support to the MENA FATF objectives which are set forth in Article (I) herein.

- Financial contribution to the MENA FATF budget according to the amount defined by the MENA FATF Plenary Meeting (regarding membership requests).

- Participation in the mutual evaluation processes by providing experts to take part in the evaluation of other countries; and full participation in all the other activities of the MENA FATF.

- Participation in the MENA FATF activities, notably those related to tech-



nical assistance, training, and typologies (for the observer's status)

- The objectives sought by the country/ organization behind its request of an observer's status, and the benefits which are expected to be reaped from that status, in addition to the services and assistance which can be provided by the country/organization to support the MENA FATF efforts.

2- The President of MENA FATF shall notify all member states of this request.

3- He shall also send a letter to the country/ organization acknowledging the receipt of the request, and notifying it of the necessary measures to be taken and of the date of the plenary meeting where the request will be settled.

4- Requests shall be considered at the next plenary meeting, if they are submitted at least 90 days before the meeting. If requests are submitted within the period of 90 days before the meeting, they shall be considered at the subsequent plenary meeting.

5- The requests shall be presented to the plenary meeting and discussed by member states. Approvals shall be unanimously given by member states to the requests of membership or requests of an observer's status.

6- The requests submitted shall be discussed in the next plenary, if they were not settled.

7- If the request is approved, the President of MENA FATF shall send a letter – through the Secretariat – to the country/organization, and to the other member states, notifying them of the approval given by the plenary meeting.



Section Three

JOINING THE EGMONT GROUP

I- Introduction

The activity of the Egmont Group, which was held its first meeting 1995, focuses on promoting cooperation and the exchange of information among the national units concerned with money laundering (financial information units) at the global level, with a view to develop the technical and institutional capabilities of these units in combating money laundering and terrorism financing operations. The achievements made by the Group may be divided into three key categories:

- Laying down the mechanism for the exchange of information by the national unit through the Internet.
- Providing technical, institutional and organizational support to the national units.
- The issuing of principles related to the aspects and conditions for the exchange of information among the national units. These principles were issued in the year 2001.

It is worth mentioning that these principles (13 principles) draw an overall frame around the various aspects of information exchange among the member units, thereby promoting the exchange of information for the common interest and laying down the procedures and conditions associated therewith as well as the responsibilities of the concerned parties and the conditions for the use of such exchanged information.

The main principles were the following :

- The financial information units should be able to exchange information freely with similar foreign units, on a reciprocal basis pursuant to joint agreements and understandings. Under such exchange, whether made pursuant to or without a request from the foreign bodies, there should be an exchange of all available information related to the relevant case and the parties associated therewith.
- The financial information units which request information should disclose the reason for request them and the purpose for which they will use such information and any other information that might help the unit which receives the request in determining whether such requests conflict with its local laws.
- The information so exchanged should be used only for the purpose or objective specified in the request for such information.
- The units which receive such information may not forward them to any third party without the consent of the units which provide the information.



- The financial information units should take such measures as are necessary to maintain the secrecy of the exchanged information.

II- Measures taken by the State of Qatar for Joining the Egmont Group

- The State of Qatar started its attempts to become a member of the Egmont group when the Qatari officials expressed the desire to do so, at the annual meetings of the FATF. The basic groups within FATF, particularly the American side, welcomed this announcement of desire and promised to assist in achieving it.

- Pursuant to arrangements made with the American side, Italy was chosen as the country that would sponsor the State of Qatar's joining the Egmont Group, in accordance with the joining procedures. A high-ranking delegation headed by Sheikh / Fahed bin Faisal Al Thani, the deputy Governor and Chairman of the National Anti Money Laundering and Terrorism Financing visited the Italian Financial Intelligence Unit during the period from 20 to 22 October 2003. During this visit, the delegation acquainted with the Italian experience in establishing the Italian FIU. The delegation witnessed a presentation about the Egmont Group and the criteria for joining the group as well as the procedures that the Qatari authorities should take to achieve this objective.

- The National Anti Money Laundering and Terrorism Financing Committee, at its second meeting held on 18.2.2004 AD decided to approve of establishing the Unit.

- On 7.4.2004, the Council of Ministers approved in principle the draft law amending the Law No. 28 of 2002 concerning Combating Money Laundering to establish the creation of the Financial Information Unit. On 1.7.2004, the Council of Ministers passed a resolution to approve the allocation of a budget for the National Committee and the Financial Information Unit.

- Based on the foregoing, a resolution was issued by the National Anti Money Laundering and Terrorism Financing Committee under No. 1 of 2004 on 31.8.2004, to establish the Unit, specifying its powers and responsibilities and approving its organization structure.

- At a later phase, the Arab Republic of Egypt was chosen as an assistant sponsor state for the State of Qatar's joining the Egmont Group. A resolution was issued appointing Sheikh/ Ahmed bin Eid Al-Thani as acting chairman of the Unit on 17.10.2004. The Unit started performing its responsibilities with effect from that date. Within this framework, a coordination agreement was held with the follow up and compliance officials at the banks in order to advise them of the creation of the unit and the need for them to cooperate and coordinate with it.

- The headquarters of the Unit were chosen to be at the building of the Central Bank of Qatar and it was equipped and furnished with specialized manpower



and equipment.

- A data base for the unit was established with information about suspicious operations reported with effect from 1.1.2003 until the present day.

- A delegation from the sponsor states (the MENA Officer at the US Treasury Department, and the Executive Director of the Money Laundering Combating Unit in the Arab Republic of Egypt) visited the State of Qatar during the period from 27.2.2005 to 2.3.2005 in order to evaluate its efforts and procedures taken in preparation for starting the practical measures for joining the Egmont Group. During its visit, the delegation met with the official concerned at the concerned bodies of the State. This was followed by several measures within the framework of the Liaison Committee and the Legal Committee within the Egmont Group. Ultimately, approval was granted for the State of Qatar to join the Egmont Group subject to ratification by the annual general meeting that was scheduled to be held in September 2005.

- It is worth mentioning that, at the time, only four Arab countries were members of the Egmont Group: the Kingdom of Bahrain,, the UAE, Egypt and Lebanon.

- Thus the efforts of the official in the State of Qatar were rewarded and the State of Qatar became the fifth country to join the Egmont Group.



Chapter SIX

QATARI EFFORTS IN ANTI-MONEY LAUNDERING AND COMBATING OF TERRORISM FINANCING



Section One

Chapter I: National Committee for AML/CFT Accomplishments Preamble:

Based upon the provisions of article (8) of law No. (28) of the year 2002, the National Committee for AML/CFT proceeded was established on November 9, 2002. Since that date, the National Committee for AML/CFT proceeded with its duties specified by the law and especially the duties related to drawing the country's general policy and following up the international innovations related to AML/CFT. On the other hand, the competent supervisory authorities in the country showed a great deal of cooperation and coordination with the efforts deployed by the National Committee for AML/CFT proceeded, the thing that led to the realization of several accomplishments on different aspects on both national and international level. We will view below the most important achievements realized according to the domains where they took place.

First: Legislations

While following up the international innovations, and in order to abide by the requirements and obligations issued by the international organizations related to AML/CFT, and in order to execute the recommendations mentioned in the Common Assessment Report of the state of Qatar executed by the International Monetary Fund (IMF) at the beginning of the year 2007, the National Committee for AML/CFT proceeded issued the decision no. 87 dated 28/11/2007 aiming at forming a committee to study the modification of the AML/CFT law.

This committee grouped legal experts from the National Committee for AML/CFT proceeded, the Financial Information Unit, and from the ministries of Justice and of Interior Affairs, the Prosecutor Office and Qatar Central Bank.

The committee prepared a comprehensive project for the AML/CFT law that took into consideration the accuracy of the study, and the continuous monitoring of the international variations and standards, along with the regulations of international agreements, and the follow up of the economical and social evolution of the State of Qatar.

The draft law enclosed some important evolutions such as the expansion of original crimes leading to Money Laundering and the establishment of the Financial Information Unit, and the definition of the commitments of different parties along with others provisions that achieve the abidance to the applicable international standards in the AML/CFT domain.

The esteemed Council of Ministers agreed on the principle of the draft law during its regular meeting no. (25) held on 3/9/2008.

Currently, follow ups and coordination with the Legislation Administration at the Council of Ministers is being held to speed up the studying process and



present it to the Permanent Committee for Legislative Affairs according to Emiri Decree No. 33 of the year 2000 regarding the Legislations preparation procedures.

Second: Supervisory restrictions

The supervisory restrictions are represented in the instructions and administrative decisions issued by the competent supervisory authorities to the auxiliary parties. These instructions set the general context for the AML/CFT and procedures to abide by.

The supervisory restrictions take into consideration all the international requirements and innovations, in addition to the legislations provisions applicable in the State of Qatar with regard to the AML/CFT domain.

Therefore, the supervisory authorities persisted in doing a periodical review to these instructions and continuously updating them to become coherent with the international standards.

The National Committee for AML/CFT proceeded directed several supervisory authorities to prepare, review and update the instructions and decisions issued by it on AML/CFT.

These efforts gave the following results:

Amending the monetary restrictions related to Qatar Monetary Center and its issuance.

Qatar Central Bank issued supervisory restrictions directed to banks after amending them in a comprehensive way according to the international standards and recommendations.

The Ministry of Trade and Commerce issued supervisory restrictions for the commercial and insurance companies, accountants, and jewels and precious metals traders.

Preparing the disclosure formats of money and convertible papers for travelers and preparing the final draft of the decision of the Head of the General Committee of Customs and Ports by amending the resolution no. 37 of the year 2006 related to the disclosure procedures.

Preparing the list of the supervisory restrictions to combat ML/FT in front of the Qatar Financial Markets Authority and Doha Securities Market.

Third: National Cooperation

This term is used to express the efforts deployed to guarantee cooperation and coordination with competent authorities to reach a common goal. In this regard, the national committee and the Financial Information Unit deployed tremendous efforts to cooperate and collaborate with the others supervisory authorities, and especially the security authorities, in order to achieve the following goals:

Taking measures and setting plans and regulations to combat ML/ FT.

Facilitating the execution of procedures related to reported suspicious transactions, and especially some urgent transactions requiring special efforts and rapidity in decision taking.



Developing the existing systems and following up the international decisions and recommendations in the AML/CFT domain and in this context we mention some of the parties that we coordinated with:

- Ministry of Interior Affairs- Criminal Investigation Department (CID)- Anti-Economic Crimes Division
- General Prosecution
- Qatar Financial Markets Authority
- Doha Securities Market
- State Security Body
- Qatar Financial Center
- Ministry of Economy and Commerce
- Ministry of Economy and Finance
- Ministry of Justice
- Qatar Customs & Ports General Authority
- Qatar Authority for Charitable Activities
- Qatar Central Bank

Usually, the collaboration and cooperation with these parties takes place while holding coordination and consultation meetings.

These meetings covered several important subjects, among which:

Replying to the remarks and recommendations mentioned in the State of Qatar Common Assessment Report executed by the IMF, and working towards accomplishing full commitment to these remarks and recommendations.

Policies and applicable systems in the AML/CFT domain in front of the State's competent authorities and level of abidance to the international standards issued in this regard.

Electronic link between the Financial Information Unit and the following parties:

- Anti-Economic Crimes Division At the Ministry of Interior Affairs:
- Qatar Customs & Ports General Authority
- Banks and Exchange Companies

Training programs and sessions.

Following up the mechanism of the procedures related to suspicious transactions notification.

Bilateral memorandum of association and international agreements.

Legislations and related laws.

Supervisory restrictions, their issuance, review and update.

Across borders transferred money disclosure system.



The application of the UN issued resolutions regarding FT.

These meetings gave positive results on the evolution of the work systems and the upgrading of the performance level of the supervisory authorities employees, in addition to its benefit in fixing supervision on suspicious transactions.

Fourth: Institutional Procedures

Financial Information Unit:

The national committee of the AML/CFT issued decision no.1 of the year 2004 dated 31/8/2004 to establish the Qatari Financial Information Unit.

The decision detailed the unit's duties and competencies and its organizational structure.

The unit proceeded with its duties on 17/10/2004 and since that date it was able to do several important accomplishments.

The most important accomplishments are:

Joining the Egmont Group on 29/6/2005.

Succeeding in hosting the Seventeenth General Meeting of the Egmont Group to be held at the Doha City from 24 to 28 May 2009.

From 17/10/2004 till 30/4/2009, the unit received 761 notification of suspicious transaction in AML/CFT divided as follows relatively to the party who sent the notification:

Party	No. of notifications
Banks	175
Exchange Companies	84
Internal Parties	135
Individuals	3
International FIUs	364

The unit took decide procedures regarding these notifications in cooperation with the competent internal and external authorities.

AML/CFT Department at Qatar Central Bank

In coordination with AML/CFT his Excellency governor of Qatar Central Bank issued the administrative decision number 11 of the year 2008 on 14/2/2008 to establish the AML/CFT department under the administration of the Banking Supervision Department.

The decision specified the department's competencies and duties as follows:

Following up all what is related to AML/CFT with all financial institutions that are under the control and supervision of Qatar Central Bank.

Monitoring the execution of all financial institutions that are under the control and supervision of Qatar Central Bank, the recommendations and directions issued by Qatar Central Bank and all related parties with respect to AML/CFT.

Executing all directions and decisions related to AML/CFT issued by competent au-



thorities.

Coordinating all correspondences and official address between the Central Bank and the National Committee for AML/CFT proceeded.

Keeping records of all reports, investigations, decisions and instructions pertaining to AML/CFT.

Training Central Committee

The National Committee for AML/CFT proceeded issued the decision no. 88 of the year 2008 on 7/4/2008 aiming at forming a central committee responsible of training matters in the domain of AML/CFT.

The decision stated the committee's competencies as follows:

Suggesting training programs in the domain of AML/CFT according to the need of every category of the financial institutions, supervisory authorities, law enforcement authorities, general prosecution, and other related parties and specifying the levels of these programs and their quality.

Receiving the suggestions of the above mentioned authorities regarding the theories and application information of the training programs and their opinion about it, and suggest these materials and updating them on the light of the innovations on the local, regional and international levels.

Specifying the financial institutions and the supervisory authorities and other parties to whom the training should be addressed.

Coordinating with the ministries and parties in charge of the training to its personnel in the domain of AML/CFT.

Following up the deployed efforts in the training domain by all parties, evaluating the training and making necessary suggestions to develop it.

Fifth: International Assessments

Knowing that the National Committee for AML/CFT proceeded is abided by developing the regulations and applied policies in the State of Qatar pertaining to AML/CFT domain while fully abiding by the international standards issued in this regard,

An invitation was addressed to the IMF to evaluate the mentioned systems and policies in the frame of the Financial Sector Assessment Program (FSAP).

A team from the IMF visited Qatar at the beginning of 2007 and conducted the assessment that covered the following aspects:

Legal Frames of AML/CFT

Organizational and monitoring frames.

The legal and organizational frame of the Financial Information Unit.

The role of the Law Enforcement Authorities, the Security Authorities and the Public Prosecutor.

Measuring the efficiency of the legal systems regarding AML/CFT.



The State of Qatar received the first copy of the Assessment Report in July 2007. Several rounds between the state's concerned parties and the Assessment team were held to discuss the remarks mentioned in the report, and these rounds led to the adoption of improvements on the compliance levels of some international standards. The report of the State of Qatar was discussed and adopted by the MENAFATF during its meeting held in April 2008, followed by a discussion and the adoption of the report during the FATF meeting held on July 2008.

As it is regulated, the State of Qatar must submit a follow up report two years after the adoption of the report, stipulated that the report contains all efforts, procedures and measures taken to apply the notes and recommendations mentioned in the IMF Assessment report.

Currently, competent authorities are engaged in preparing the above mentioned report with the directions of the National Committee for AML/CFT and under its supervision.

Sixth: National Projects

Knowing the economic boom witnessed in the State of Qatar during the last years, and being aware of the risks of the economic crimes in general and the ML/FT crimes in particular on the economic activity and national security, the thing that requires the joint efforts of all parties responsible of providing the necessary protection to the national economy, and in the frame of enhancing the reputation of the State of Qatar and showing its civilized structure among international organizations and authorities in charge of AML/CFT and in an attempt to show the deployed efforts in this domain, the National Committee for AML/CFT submitted a proposal to the Ministry of Interior Affairs to gather all governmental competent systems and administrations in charge of combating economic crimes in one location, where the parties suggested to be gathered in one location would perform their tasks independently and by virtue of the governing laws.

The Ministry of Interior affairs welcomed the proposal by principle and considered it applicable from the legal and theoretical points of views as long as every single one of the parties suggested to be gathered will keep its independence in performing its duties by virtue of its laws and regulations. In order to achieve that proposal, a committee grouping representatives of the National Committee for AML/CFT, the State Security System, Criminal Investment Department (CID), and Anti-Economic Crimes Division in the ministry of interior affairs, and the Financial Information Unit was established.

This committee studied the proposal in a broad way and submitted a comprehensive report about its different aspects, and its benefits, suggested name, parties to be part of, work regulation, financial and administrative aspects and some suggestions pertaining to work in the mentioned block.

At the end, the report recommended to go through with the suggestion knowing its importance in achieving the following goals:

Enhancing the reputation of the State of Qatar in front of the international society while executing this innovative experience that assures its continuous persistence to



protecting its national security and enhancing the trust in the State's economic structure and to create a better atmosphere for the investors and provide all the requirements of combating economic crimes.

Enhancing the cooperation and confirming the relationships and creating a positive relation between the people working in combating economic crimes and make them cooperate and benefit from existing experience in this domain.

Answering the requirements of particular cases related to combating economic crimes that require fast procedures, and achieve rapidity in doing the transactions pertaining to combating these crimes since these systems are located in one building and achieving cooperation between them.

Guaranteeing the highest possible level of secrecy in information transfer.

The committee's report was submitted to His Excellency the Minister of Interior Affairs who agreed on its content and recommended to take adequate procedures to execute the suggested proposal.

Based upon that the National Committee for AML/CFT submitted the subject to the esteemed Council of Ministers and suggested that the headquarters complex gathers the following systems combating economic crimes:

- National Committee for AML/CFT.
- National Counter- Terrorism Committee (NCTC)
- National Committee for Integrity and Transparency
- General Prosecutor (Specialized prosecution)
- Anti-Economic Crimes Division at Criminal Investment Department (CID) of the Ministry of Interior Affairs.
- Financial Information Unit.
- Any other related governmental systems or administrations.

The esteemed Council of Ministers agreed in its eighth regular meeting of the year 2009 held on 25/2/2009 on the suggestion proposed by the national committee and ordered that the parties participating in the headquarters complex take the necessary procedures to execute it.

In order to execute what was previously mentioned, the National Committee for AML/CFT issued the Resolution No.(2) of 2009 dated 21/4/2009 to establish a committee named "Headquarters Complex affairs committee for the economic crimes systems" and specified the competencies of this committee to take required procedures to execute the Council of Ministers decision regarding the headquarters complex.

The required procedures in this regard are being completed.

Seventh: International Efforts:

I. The Trust Fund for AML/CFT established by the IMF:

In responding to the increasing request for the technical assistance provided



by the IMF, especially from the countries that seek to build their institutions and abilities, as the IMF has started establishing many trust funds in different areas for providing the financial resources that assist the IMF in providing the technical assistance programs required for these countries.

The first trust fund the IMF has started establishing is the fund of the AML/CFT program.

The requested funding for this fund is \$31 million divided over 5 years, which means \$6.2 million each year, provided that the program is initiated in May 2009 until April 2014. The IMF is seeking to provide the requested funding through the financial support provided by the donating countries. For this purpose, the Steering Committee of the Trust Fund held its first meeting in March 2009 for determining the mechanism of managing these resources.

The trust fund subject was discussed on the margin of the FATF Plenary held in October 2008 in Brazil and the MENAFATF Plenary held in November 2008 in the UAE.

The National Committee for AML/CFT received a copy of the letter sent from the Executive Director of the IMF on 17/11/2008 to the Ministry of Economy and Finance, which dealt with all aspects related to the trust fund and the required funding, as well as it requested the contribution of the State of Qatar in providing the financial support for this fund.

Against the foregoing, the National Committee for AML/CFT discussed the subject of the trust fund in its 21st meeting, held on 30/12/2008, and recommended approving the subject due to the several benefits and objectives this initiative achieves, especially in asserting the determination of the State of Qatar to combat the cross-border ML/TF crimes.

Moreover, the National Committee submitted its recommendations to H.E. the Minister of Economy and Finance.

Later on, H.E. submitted the subject to H.E. the Prime Minister, the Minister of Foreign Affairs, who approved the contribution of the State of Qatar in funding the trust fund established by the IMF by \$ 2 million.

The executive procedures requested for paying the contribution of the State of Qatar to the IMF are being taken.

It is worth mentioning that the approval of the State of Qatar on the contribution to the IMF is an appreciation of the important role the IMF is playing towards the State of Qatar, especially in terms of the counseling services and the technical assistance programs it provides in different areas.

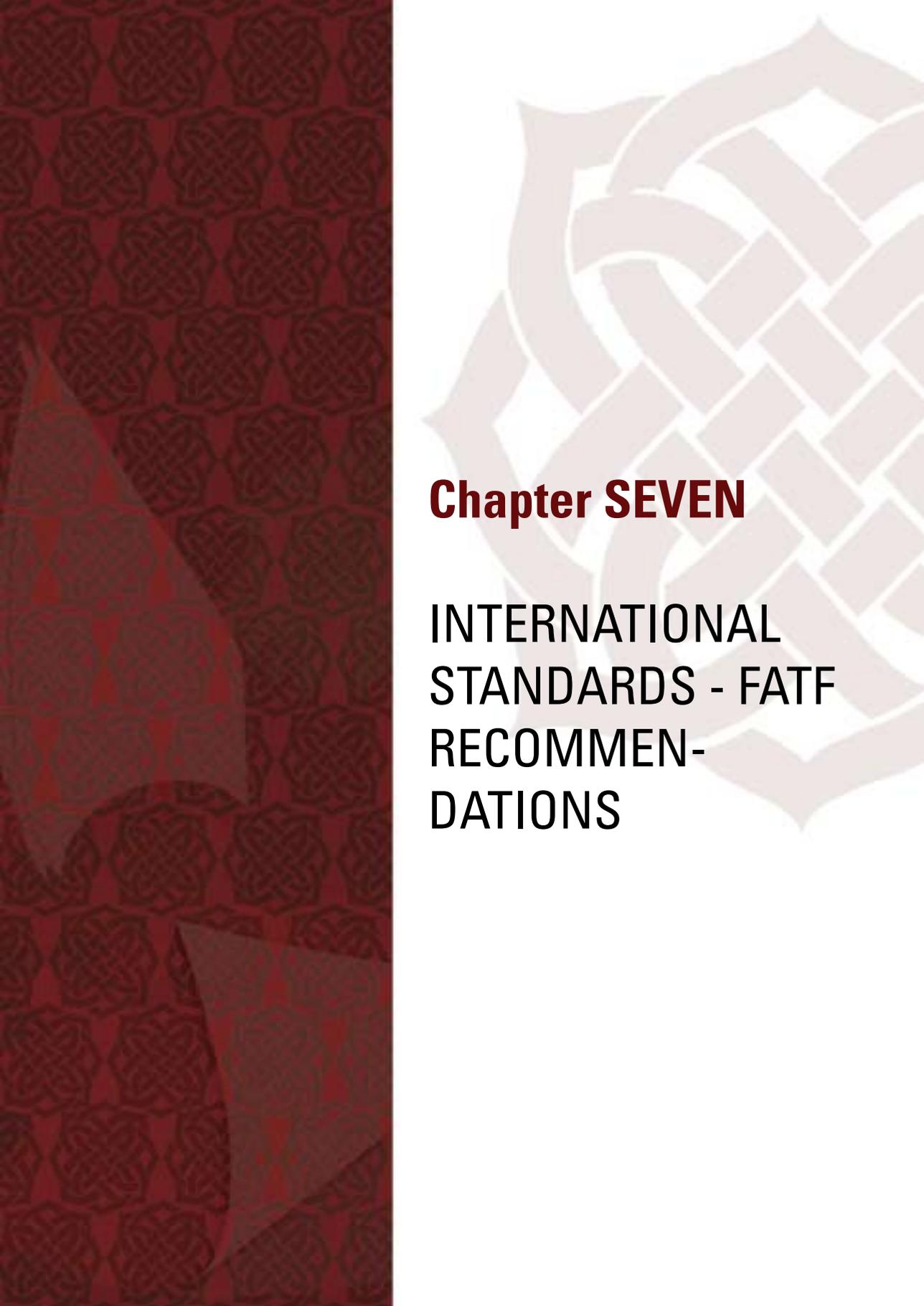


2. Signing the Memoranda of Understanding between the FIU and the Similar International FIUs:

The FIU has received a number of applications from the international FIUs for signing the Memoranda of Understanding for promoting the international cooperation and exchanging information among them according to the international cooperation principles issued by Egmont Group in this regard.

The FIU has studied the subject and submitted it to the National Committee for AML/CFT.

The National Committee has discussed this subject and recommended taking the procedures decided in this respect.



Chapter SEVEN

INTERNATIONAL STANDARDS - FATF RECOMMEN- DATIONS



Section One

The 40 Recommendations

Introduction

Money laundering methods and techniques change in response to developing counter-measures. In recent years, the Financial Action Task Force (FATF) [1] has noted increasingly sophisticated combinations of techniques, such as the increased use of legal persons to disguise the true ownership and control of illegal proceeds, and an increased use of professionals to provide advice and assistance in laundering criminal funds. These factors, combined with the experience gained through the FATF's Non-Cooperative Countries and Territories process, and a number of national and international initiatives, led the FATF to review and revise the 40 Recommendations into a new comprehensive framework for combating money laundering and terrorist financing. The FATF now calls upon all countries to take the necessary steps to bring their national systems for combating money laundering and terrorist financing into compliance with the new FATF Recommendations, and to effectively implement these measures.

The review process for revising the 40 Recommendations was an extensive one, open to FATF members, non-members, observers, financial and other affected sectors and interested parties. This consultation process provided a wide range of input, all of which was considered in the review process.

The revised 40 Recommendations now apply not only to money laundering but also to terrorist financing, and when combined with the 9 Special Recommendations on Terrorist Financing provide an enhanced, comprehensive and consistent framework of measures for combating money laundering and terrorist financing. The FATF recognises that countries have diverse legal and financial systems and so all cannot take identical measures to achieve the common objective, especially over matters of detail. The Recommendations therefore set minimum standards for action for countries to implement the detail according to their particular circumstances and constitutional frameworks. The Recommendations cover all the measures that national systems should have in place within their criminal justice and regulatory systems; the preventive measures to be taken by financial institutions and certain other businesses and professions; and international co-operation.

The original FATF 40 Recommendations were drawn up in 1990 as an initiative to combat the misuse of financial systems by persons laundering drug money. In 1996 the Recommendations were revised for the first time to reflect evolving money laundering typologies. The 1996 40 Recommendations have been



endorsed by more than 130 countries and are the international anti-money laundering standard.

In October 2001 the FATF expanded its mandate to deal with the issue of the financing of terrorism, and took the important step of creating the 9 Special Recommendations on Terrorist Financing. These Recommendations contain a set of measures aimed at combating the funding of terrorist acts and terrorist organisations, and are complementary to the 40 Recommendations [2].

A key element in the fight against money laundering and the financing of terrorism is the need for countries systems to be monitored and evaluated, with respect to these international standards. The mutual evaluations conducted by the FATF and FATF-style regional bodies, as well as the assessments conducted by the IMF and World Bank, are a vital mechanism for ensuring that the FATF Recommendations are effectively implemented by all countries.

Footnotes:

[1] The FATF is an inter-governmental body which sets standards, and develops and promotes policies to combat money laundering and terrorist financing. It currently has 33 members: 31 countries and governments and two international organisations; and more than 20 observers: five FATF-style regional bodies and more than 15 other international organisations or bodies. A list of all members and observers can be found on the FATF website.

[2] The FATF 40 and 9 Special Recommendations have been recognised by the International Monetary Fund and the World Bank as the international standards for combating money laundering and the financing of terrorism.

Legal Systems

• Scope of the criminal offence of money laundering

Recommendation I

Countries should criminalise money laundering on the basis of United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (the Vienna Convention) and United Nations Convention against Transnational Organized Crime, 2000 (the Palermo Convention).

Countries should apply the crime of money laundering to all serious offences, with a view to including the widest range of predicate offences. Predicate offences may be described by reference to all offences, or to a threshold linked either to a category of serious offences or to the penalty of imprisonment applicable to the predicate offence (threshold approach), or to a list of predicate offences, or a combination of these approaches.

Where countries apply a threshold approach, predicate offences should at a minimum comprise all offences that fall within the category of serious offences



under their national law or should include offences which are punishable by a maximum penalty of more than one year's imprisonment or for those countries that have a minimum threshold for offences in their legal system, predicate offences should comprise all offences, which are punished by a minimum penalty of more than six months imprisonment.

Whichever approach is adopted, each country should at a minimum include a range of offences within each of the designated categories of offences [3]. Predicate offences for money laundering should extend to conduct that occurred in another country, which constitutes an offence in that country, and which would have constituted a predicate offence had it occurred domestically. Countries may provide that the only prerequisite is that the conduct would have constituted a predicate offence had it occurred domestically. Countries may provide that the offence of money laundering does not apply to persons who committed the predicate offence, where this is required by fundamental principles of their domestic law.

Recommendation 2

Countries should ensure that :

- a) The intent and knowledge required to prove the offence of money laundering is consistent with the standards set forth in the Vienna and Palermo Conventions, including the concept that such mental state may be inferred from objective factual circumstances.
- b) Criminal liability, and, where that is not possible, civil or administrative liability, should apply to legal persons. This should not preclude parallel criminal, civil or administrative proceedings with respect to legal persons in countries in which such forms of liability are available. Legal persons should be subject to effective, proportionate and dissuasive sanctions. Such measures should be without prejudice to the criminal liability of individuals.

• Provisional measures and confiscation

Recommendation 3

Countries should adopt measures similar to those set forth in the Vienna and Palermo Conventions, including legislative measures, to enable their competent authorities to confiscate property laundered, proceeds from money laundering or predicate offences, instrumentalities used in or intended for use in the commission of these offences, or property of corresponding value, without prejudicing the rights of bona fide third parties.

Such measures should include the authority to: (a) identify, trace and evaluate property which is subject to confiscation; (b) carry out provisional measures, such as freezing and seizing, to prevent any dealing, transfer or disposal of



such property; (c) take steps that will prevent or void actions that prejudice the State's ability to recover property that is subject to confiscation; and (d) take any appropriate investigative measures.

Countries may consider adopting measures that allow such proceeds or instrumentalities to be confiscated without requiring a criminal conviction, or which require an offender to demonstrate the lawful origin of the property alleged to be liable to confiscation, to the extent that such a requirement is consistent with the principles of their domestic law.

Measures to be taken by Financial Institutions and Non-Financial Businesses and Professions to prevent Money Laundering and Terrorist Financing

• Customer due diligence and record-keeping

Recommendation 4

Countries should ensure that financial institution secrecy laws do not inhibit implementation of the FATF Recommendations.

Recommendation 5

Financial institutions should not keep anonymous accounts or accounts in obviously fictitious names.

Financial institutions should undertake customer due diligence measures, including identifying and verifying the identity of their customers, when:

- establishing business relations;
- carrying out occasional transactions: (i) above the applicable designated threshold; or (ii) that are wire transfers in the circumstances covered by the Interpretative Note to Special Recommendation VII;
- there is a suspicion of money laundering or terrorist financing; or
- the financial institution has doubts about the veracity or adequacy of previously obtained customer identification data.

The customer due diligence (CDD) measures to be taken are as follows:

- a) Identifying the customer and verifying that customer's identity using reliable, independent source documents, data or information [4].
- b) Identifying the beneficial owner, and taking reasonable measures to verify the identity of the beneficial owner such that the financial institution is satisfied that it knows who the beneficial owner is. For legal persons and arrangements this should include financial institutions taking reasonable measures to understand the ownership and control structure of the customer.
- c) Obtaining information on the purpose and intended nature of the business relationship.
- d) Conducting ongoing due diligence on the business relationship and scrutiny



of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.

Financial institutions should apply each of the CDD measures under (a) to (d) above, but may determine the extent of such measures on a risk sensitive basis depending on the type of customer, business relationship or transaction. The measures that are taken should be consistent with any guidelines issued by competent authorities. For higher risk categories, financial institutions should perform enhanced due diligence. In certain circumstances, where there are low risks, countries may decide that financial institutions can apply reduced or simplified measures.

Financial institutions should verify the identity of the customer and beneficial owner before or during the course of establishing a business relationship or conducting transactions for occasional customers. Countries may permit financial institutions to complete the verification as soon as reasonably practicable following the establishment of the relationship, where the money laundering risks are effectively managed and where this is essential not to interrupt the normal conduct of business.

Where the financial institution is unable to comply with paragraphs (a) to (c) above, it should not open the account, commence business relations or perform the transaction; or should terminate the business relationship; and should consider making a suspicious transactions report in relation to the customer.

These requirements should apply to all new customers, though financial institutions should also apply this Recommendation to existing customers on the basis of materiality and risk, and should conduct due diligence on such existing relationships at appropriate times.

Recommendation 6

Financial institutions should, in relation to politically exposed persons, in addition to performing normal due diligence measures:

- a) Have appropriate risk management systems to determine whether the customer is a politically exposed person.
- b) Obtain senior management approval for establishing business relationships with such customers.
- c) Take reasonable measures to establish the source of wealth and source of funds.
- d) Conduct enhanced ongoing monitoring of the business relationship.



Recommendation 7

Financial institutions should, in relation to cross-border correspondent banking and other similar relationships, in addition to performing normal due diligence measures:

- a) Gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision, including whether it has been subject to a money laundering or terrorist financing investigation or regulatory action.
- b) Assess the respondent institution's anti-money laundering and terrorist financing controls.
- c) Obtain approval from senior management before establishing new correspondent relationships.
- d) Document the respective responsibilities of each institution.
- e) With respect to "payable-through accounts", be satisfied that the respondent bank has verified the identity of and performed on-going due diligence on the customers having direct access to accounts of the correspondent and that it is able to provide relevant customer identification data upon request to the correspondent bank.

Recommendation 8

Financial institutions should pay special attention to any money laundering threats that may arise from new or developing technologies that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes. In particular, financial institutions should have policies and procedures in place to address any specific risks associated with non-face to face business relationships or transactions.

Recommendation 9

Countries may permit financial institutions to rely on intermediaries or other third parties to perform elements (a) – (c) of the CDD process or to introduce business, provided that the criteria set out below are met. Where such reliance is permitted, the ultimate responsibility for customer identification and verification remains with the financial institution relying on the third party.

The criteria that should be met are as follows:

- a) A financial institution relying upon a third party should immediately obtain the necessary information concerning elements (a) – (c) of the CDD process. Financial institutions should take adequate steps to satisfy themselves that copies of identification data and other relevant documentation relating to the CDD requirements will be made available from the third party upon request without delay.



- b) The financial institution should satisfy itself that the third party is regulated and supervised for, and has measures in place to comply with CDD requirements in line with Recommendations 5 and 10.

It is left to each country to determine in which countries the third party that meets the conditions can be based, having regard to information available on countries that do not or do not adequately apply the FATF Recommendations.

Recommendation 10

Financial institutions should maintain, for at least five years, all necessary records on transactions, both domestic or international, to enable them to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of criminal activity.

Financial institutions should keep records on the identification data obtained through the customer due diligence process (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence for at least five years after the business relationship is ended.

The identification data and transaction records should be available to domestic competent authorities upon appropriate authority.

Recommendation 11

Financial institutions should pay special attention to all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. The background and purpose of such transactions should, as far as possible, be examined, the findings established in writing, and be available to help competent authorities and auditors.

Recommendation 12

The customer due diligence and record-keeping requirements set out in Recommendations 5, 6, and 8 to 11 apply to designated non-financial businesses and professions in the following situations:

- a) Casinos – when customers engage in financial transactions equal to or above the applicable designated threshold.
- b) Real estate agents - when they are involved in transactions for their client concerning the buying and selling of real estate.
- c) Dealers in precious metals and dealers in precious stones - when they engage in any cash transaction with a customer equal to or above the applicable designated threshold.



- d) Lawyers, notaries, other independent legal professionals and accountants when they prepare for or carry out transactions for their client concerning the following activities:
- buying and selling of real estate;
 - managing of client money, securities or other assets;
 - management of bank, savings or securities accounts;
 - organisation of contributions for the creation, operation or management of companies;
 - creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
- e) Trust and company service providers when they prepare for or carry out transactions for a client concerning the activities listed in the definition in the Glossary.
- Reporting of suspicious transactions and compliance

Recommendation 13

If a financial institution suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, it should be required, directly by law or regulation, to report promptly its suspicions to the financial intelligence unit (FIU).

Recommendation 14

Financial institutions, their directors, officers and employees should be:

- a) Protected by legal provisions from criminal and civil liability for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith to the FIU, even if they did not know precisely what the underlying criminal activity was, and regardless of whether illegal activity actually occurred.
- b) Prohibited by law from disclosing the fact that a suspicious transaction report (STR) or related information is being reported to the FIU.

Recommendation 15

Financial institutions should develop programmes against money laundering and terrorist financing. These programmes should include:

- a) The development of internal policies, procedures and controls, including appropriate compliance management arrangements, and adequate screening procedures to ensure high standards when hiring employees.
- b) An ongoing employee training programme.
- c) An audit function to test the system.



Recommendation 16

The requirements set out in Recommendations 13 to 15, and 21 apply to all designated non-financial businesses and professions, subject to the following qualifications:

- a) Lawyers, notaries, other independent legal professionals and accountants should be required to report suspicious transactions when, on behalf of or for a client, they engage in a financial transaction in relation to the activities described in Recommendation 12(d). Countries are strongly encouraged to extend the reporting requirement to the rest of the professional activities of accountants, including auditing.
- b) Dealers in precious metals and dealers in precious stones should be required to report suspicious transactions when they engage in any cash transaction with a customer equal to or above the applicable designated threshold.
- c) Trust and company service providers should be required to report suspicious transactions for a client when, on behalf of or for a client, they engage in a transaction in relation to the activities referred to Recommendation 12(e).

Lawyers, notaries, other independent legal professionals, and accountants acting as independent legal professionals, are not required to report their suspicions if the relevant information was obtained in circumstances where they are subject to professional secrecy or legal professional privilege.

•Other measures to deter money laundering and terrorist financing

Recommendation 17

Countries should ensure that effective, proportionate and dissuasive sanctions, whether criminal, civil or administrative, are available to deal with natural or legal persons covered by these Recommendations that fail to comply with anti-money laundering or terrorist financing requirements.

Recommendation 18

Countries should not approve the establishment or accept the continued operation of shell banks. Financial institutions should refuse to enter into, or continue, a correspondent banking relationship with shell banks. Financial institutions should also guard against establishing relations with respondent foreign financial institutions that permit their accounts to be used by shell banks.



Recommendation 19

(This Recommendation has been deleted on the 22 October 2004)

Countries should consider the feasibility and utility of a system where banks and other financial institutions and intermediaries would report all domestic and international currency transactions above a fixed amount, to a national central agency with a computerised data base, available to competent authorities for use in money laundering or terrorist financing cases, subject to strict safeguards to ensure proper use of the information.

Recommendation 20

Countries should consider applying the FATF Recommendations to businesses and professions, other than designated non-financial businesses and professions, that pose a money laundering or terrorist financing risk.

Countries should further encourage the development of modern and secure techniques of money management that are less vulnerable to money laundering.

• Measures to be taken with respect to countries that do not or insufficiently comply with the FATF Recommendations

Recommendation 21

Financial institutions should give special attention to business relationships and transactions with persons, including companies and financial institutions, from countries which do not or insufficiently apply the FATF Recommendations. Whenever these transactions have no apparent economic or visible lawful purpose, their background and purpose should, as far as possible, be examined, the findings established in writing, and be available to help competent authorities. Where such a country continues not to apply or insufficiently applies the FATF Recommendations, countries should be able to apply appropriate countermeasures.

Recommendation 22

Financial institutions should ensure that the principles applicable to financial institutions, which are mentioned above are also applied to branches and majority owned subsidiaries located abroad, especially in countries which do not or insufficiently apply the FATF Recommendations, to the extent that local applicable laws and regulations permit. When local applicable laws and regulations prohibit this implementation, competent authorities in the country of the parent institution should be informed by the financial institutions that they cannot apply the FATF Recommendations.



• Regulation and supervision

Recommendation 23

Countries should ensure that financial institutions are subject to adequate regulation and supervision and are effectively implementing the FATF Recommendations. Competent authorities should take the necessary legal or regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest or holding a management function in a financial institution.

For financial institutions subject to the Core Principles, the regulatory and supervisory measures that apply for prudential purposes and which are also relevant to money laundering, should apply in a similar manner for anti-money laundering and terrorist financing purposes.

Other financial institutions should be licensed or registered and appropriately regulated, and subject to supervision or oversight for anti-money laundering purposes, having regard to the risk of money laundering or terrorist financing in that sector. At a minimum, businesses providing a service of money or value transfer, or of money or currency changing should be licensed or registered, and subject to effective systems for monitoring and ensuring compliance with national requirements to combat money laundering and terrorist financing.

Recommendation 24

Designated non-financial businesses and professions should be subject to regulatory and supervisory measures as set out below.

a) Casinos should be subject to a comprehensive regulatory and supervisory regime that ensures that they have effectively implemented the necessary anti-money laundering and terrorist-financing measures. At a minimum:

- casinos should be licensed;
- competent authorities should take the necessary legal or regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management function in, or being an operator of a casino;
- competent authorities should ensure that casinos are effectively supervised for compliance with requirements to combat money laundering and terrorist financing.

b) Countries should ensure that the other categories of designated non-financial businesses and professions are subject to effective systems for monitoring and ensuring their compliance with requirements to combat money laundering and terrorist financing. This should be performed on a risk-sensitive basis. This may be performed by a government authority or by an appropriate self-regulatory organisation, provided that such an organisation can ensure that its members com-



ply with their obligations to combat money laundering and terrorist financing.

Recommendation 25

The competent authorities should establish guidelines, and provide feedback which will assist financial institutions and designated non-financial businesses and professions in applying national measures to combat money laundering and terrorist financing, and in particular, in detecting and reporting suspicious transactions.

Institutional and other measures necessary in systems for combating Money Laundering and Terrorist Financing

• Competent authorities, their powers and resources

Recommendation 26

Countries should establish a FIU that serves as a national centre for the receiving (and, as permitted, requesting), analysis and dissemination of STR and other information regarding potential money laundering or terrorist financing. The FIU should have access, directly or indirectly, on a timely basis to the financial, administrative and law enforcement information that it requires to properly undertake its functions, including the analysis of STR.

Recommendation 27

Countries should ensure that designated law enforcement authorities have responsibility for money laundering and terrorist financing investigations. Countries are encouraged to support and develop, as far as possible, special investigative techniques suitable for the investigation of money laundering, such as controlled delivery, undercover operations and other relevant techniques. Countries are also encouraged to use other effective mechanisms such as the use of permanent or temporary groups specialised in asset investigation, and co-operative investigations with appropriate competent authorities in other countries.

Recommendation 28

When conducting investigations of money laundering and underlying predicate offences, competent authorities should be able to obtain documents and information for use in those investigations, and in prosecutions and related actions. This should include powers to use compulsory measures for the production of records held by financial institutions and other persons, for the search of persons and premises, and for the seizure and obtaining of evidence.

Recommendation 29

Supervisors should have adequate powers to monitor and ensure compliance by financial institutions with requirements to combat money laundering and ter-



rorist financing, including the authority to conduct inspections. They should be authorised to compel production of any information from financial institutions that is relevant to monitoring such compliance, and to impose adequate administrative sanctions for failure to comply with such requirements.

Recommendation 30

Countries should provide their competent authorities involved in combating money laundering and terrorist financing with adequate financial, human and technical resources. Countries should have in place processes to ensure that the staff of those authorities are of high integrity.

Recommendation 31

Countries should ensure that policy makers, the FIU, law enforcement and supervisors have effective mechanisms in place which enable them to co-operate, and where appropriate co-ordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing.

Recommendation 32

Countries should ensure that their competent authorities can review the effectiveness of their systems to combat money laundering and terrorist financing systems by maintaining comprehensive statistics on matters relevant to the effectiveness and efficiency of such systems. This should include statistics on the STR received and disseminated; on money laundering and terrorist financing investigations, prosecutions and convictions; on property frozen, seized and confiscated; and on mutual legal assistance or other international requests for co-operation.

• Transparency of legal persons and arrangements

Recommendation 33

Countries should take measures to prevent the unlawful use of legal persons by money launderers. Countries should ensure that there is adequate, accurate and timely information on the beneficial ownership and control of legal persons that can be obtained or accessed in a timely fashion by competent authorities. In particular, countries that have legal persons that are able to issue bearer shares should take appropriate measures to ensure that they are not misused for money laundering and be able to demonstrate the adequacy of those measures. Countries could consider measures to facilitate access to beneficial ownership and control information to financial institutions undertaking the requirements set



- **Out in Recommendation 5.**

Recommendation 34

Countries should take measures to prevent the unlawful use of legal arrangements by money launderers. In particular, countries should ensure that there is adequate, accurate and timely information on express trusts, including information on the settlor, trustee and beneficiaries, that can be obtained or accessed in a timely fashion by competent authorities. Countries could consider measures to facilitate access to beneficial ownership and control information to financial institutions undertaking the requirements set out in Recommendation 5.

- **International co-operation**

Recommendation 35

Countries should take immediate steps to become party to and implement fully the Vienna Convention, the Palermo Convention, and the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism. Countries are also encouraged to ratify and implement other relevant international conventions, such as the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and the 2002 Inter-American Convention against Terrorism.

- **Mutual legal assistance and extradition**

Recommendation 36

Countries should rapidly, constructively and effectively provide the widest possible range of mutual legal assistance in relation to money laundering and terrorist financing investigations, prosecutions, and related proceedings. In particular, countries should:

- a) Not prohibit or place unreasonable or unduly restrictive conditions on the provision of mutual legal assistance.
- b) Ensure that they have clear and efficient processes for the execution of mutual legal assistance requests.
- c) Not refuse to execute a request for mutual legal assistance on the sole ground that the offence is also considered to involve fiscal matters.
- d) Not refuse to execute a request for mutual legal assistance on the grounds that laws require financial institutions to maintain secrecy or confidentiality.

Countries should ensure that the powers of their competent authorities required under Recommendation 28 are also available for use in response to requests for mutual legal assistance, and if consistent with their domestic framework, in response to direct requests from foreign judicial or law en-



forcement authorities to domestic counterparts.

To avoid conflicts of jurisdiction, consideration should be given to devising and applying mechanisms for determining the best venue for prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country.

Recommendation 37

Countries should, to the greatest extent possible, render mutual legal assistance notwithstanding the absence of dual criminality.

Where dual criminality is required for mutual legal assistance or extradition, that requirement should be deemed to be satisfied regardless of whether both countries place the offence within the same category of offence or denominate the offence by the same terminology, provided that both countries criminalise the conduct underlying the offence.

Recommendation 38

There should be authority to take expeditious action in response to requests by foreign countries to identify, freeze, seize and confiscate property laundered, proceeds from money laundering or predicate offences, instrumentalities used in or intended for use in the commission of these offences, or property of corresponding value. There should also be arrangements for co-ordinating seizure and confiscation proceedings, which may include the sharing of confiscated assets.

Recommendation 39

Countries should recognise money laundering as an extraditable offence. Each country should either extradite its own nationals, or where a country does not do so solely on the grounds of nationality, that country should, at the request of the country seeking extradition, submit the case without undue delay to its competent authorities for the purpose of prosecution of the offences set forth in the request. Those authorities should take their decision and conduct their proceedings in the same manner as in the case of any other offence of a serious nature under the domestic law of that country. The countries concerned should cooperate with each other, in particular on procedural and evidentiary aspects, to ensure the efficiency of such prosecutions.

Subject to their legal frameworks, countries may consider simplifying extradition by allowing direct transmission of extradition requests between appropriate ministries, extraditing persons based only on warrants of arrests or judgements, and/or introducing a simplified extradition of consenting persons who waive formal extradition proceedings.



• Other forms of co-operation

Recommendation 40

Countries should ensure that their competent authorities provide the widest possible range of international co-operation to their foreign counterparts. There should be clear and effective gateways to facilitate the prompt and constructive exchange directly between counterparts, either spontaneously or upon request, of information relating to both money laundering and the underlying predicate offences. Exchanges should be permitted without unduly restrictive conditions. In particular:

- a) Competent authorities should not refuse a request for assistance on the sole ground that the request is also considered to involve fiscal matters.
- b) Countries should not invoke laws that require financial institutions to maintain secrecy or confidentiality as a ground for refusing to provide co-operation.
- c) Competent authorities should be able to conduct inquiries; and where possible, investigations; on behalf of foreign counterparts.

Where the ability to obtain information sought by a foreign competent authority is not within the mandate of its counterpart, countries are also encouraged to permit a prompt and constructive exchange of information with non-counterparts. Co-operation with foreign authorities other than counterparts could occur directly or indirectly. When uncertain about the appropriate avenue to follow, competent authorities should first contact their foreign counterparts for assistance.

Countries should establish controls and safeguards to ensure that information exchanged by competent authorities is used only in an authorised manner, consistent with their obligations concerning privacy and data protection.



Sectin Two

The 9 Special Recommendations (SR) on Terrorism Financing (TF)

Recognising the vital importance of taking action to combat the financing of terrorism, the FATF has agreed these Recommendations, which, when combined with the FATF Forty Recommendations on money laundering, set out the basic framework to detect, prevent and suppress the financing of terrorism and terrorist acts. For further information on the Special Recommendations as related to the self-assessment process,

I. Ratification and implementation of UN instruments

Each country should take immediate steps to ratify and to implement fully the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism.

Countries should also immediately implement the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts, particularly United Nations Security Council Resolution 1373.

II. Criminalising the financing of terrorism and associated money laundering

Each country should criminalise the financing of terrorism, terrorist acts and terrorist organisations. Countries should ensure that such offences are designated as money laundering predicate offences.

III. Freezing and confiscating terrorist assets

Each country should implement measures to freeze without delay funds or other assets of terrorists, those who finance terrorism and terrorist organisations in accordance with the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts.

Each country should also adopt and implement measures, including legislative ones, which would enable the competent authorities to seize and confiscate property that is the proceeds of, or used in, or intended or allocated for use in, the financing of terrorism, terrorist acts or terrorist organisations.

IV. Reporting suspicious transactions related to terrorism

If financial institutions, or other businesses or entities subject to anti-money laundering obligations, suspect or have reasonable grounds to suspect that



funds are linked or related to, or are to be used for terrorism, terrorist acts or by terrorist organisations, they should be required to report promptly their suspicions to the competent authorities.

V. International co-operation

Each country should afford another country, on the basis of a treaty, arrangement or other mechanism for mutual legal assistance or information exchange, the greatest possible measure of assistance in connection with criminal, civil enforcement, and administrative investigations, inquiries and proceedings relating to the financing of terrorism, terrorist acts and terrorist organisations.

Countries should also take all possible measures to ensure that they do not provide safe havens for individuals charged with the financing of terrorism, terrorist acts or terrorist organisations, and should have procedures in place to extradite, where possible, such individuals.

VI. Alternative remittance

Each country should take measures to ensure that persons or legal entities, including agents, that provide a service for the transmission of money or value, including transmission through an informal money or value transfer system or network, should be licensed or registered and subject to all the FATF Recommendations that apply to banks and non-bank financial institutions. Each country should ensure that persons or legal entities that carry out this service illegally are subject to administrative, civil or criminal sanctions.

VII. Wire transfers

Countries should take measures to require financial institutions, including money remitters, to include accurate and meaningful originator information (name, address and account number) on funds transfers and related messages that are sent, and the information should remain with the transfer or related message through the payment chain.

Countries should take measures to ensure that financial institutions, including money remitters, conduct enhanced scrutiny of and monitor for suspicious activity funds transfers which do not contain complete originator information (name, address and account number).

VIII. Non-profit organisations

Countries should review the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism. Non-profit organisations are particularly vulnerable, and countries should ensure that they cannot be misused:

by terrorist organisations posing as legitimate entities;



to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; and
to conceal or obscure the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.

IX. Cash couriers

Countries should have measures in place to detect the physical cross-border transportation of currency and bearer negotiable instruments, including a declaration system or other disclosure obligation.

Countries should ensure that their competent authorities have the legal authority to stop or restrain currency or bearer negotiable instruments that are suspected to be related to terrorist financing or money laundering, or that are falsely declared or disclosed.

Countries should ensure that effective, proportionate and dissuasive sanctions are available to deal with persons who make false declaration(s) or disclosure(s). In cases where the currency or bearer negotiable instruments are related to terrorist financing or money laundering, countries should also adopt measures, including legislative ones consistent with Recommendation 3 and Special Recommendation III, which would enable the confiscation of such currency or instruments.

Note:

With the adoption of Special Recommendation IX, the FATF now deletes paragraph 19(a) of Recommendation 19 and the Interpretative Note to Recommendation 19 in order to ensure internal consistency amongst the FATF Recommendations. The modified text of recommendation 19 reads as follows:

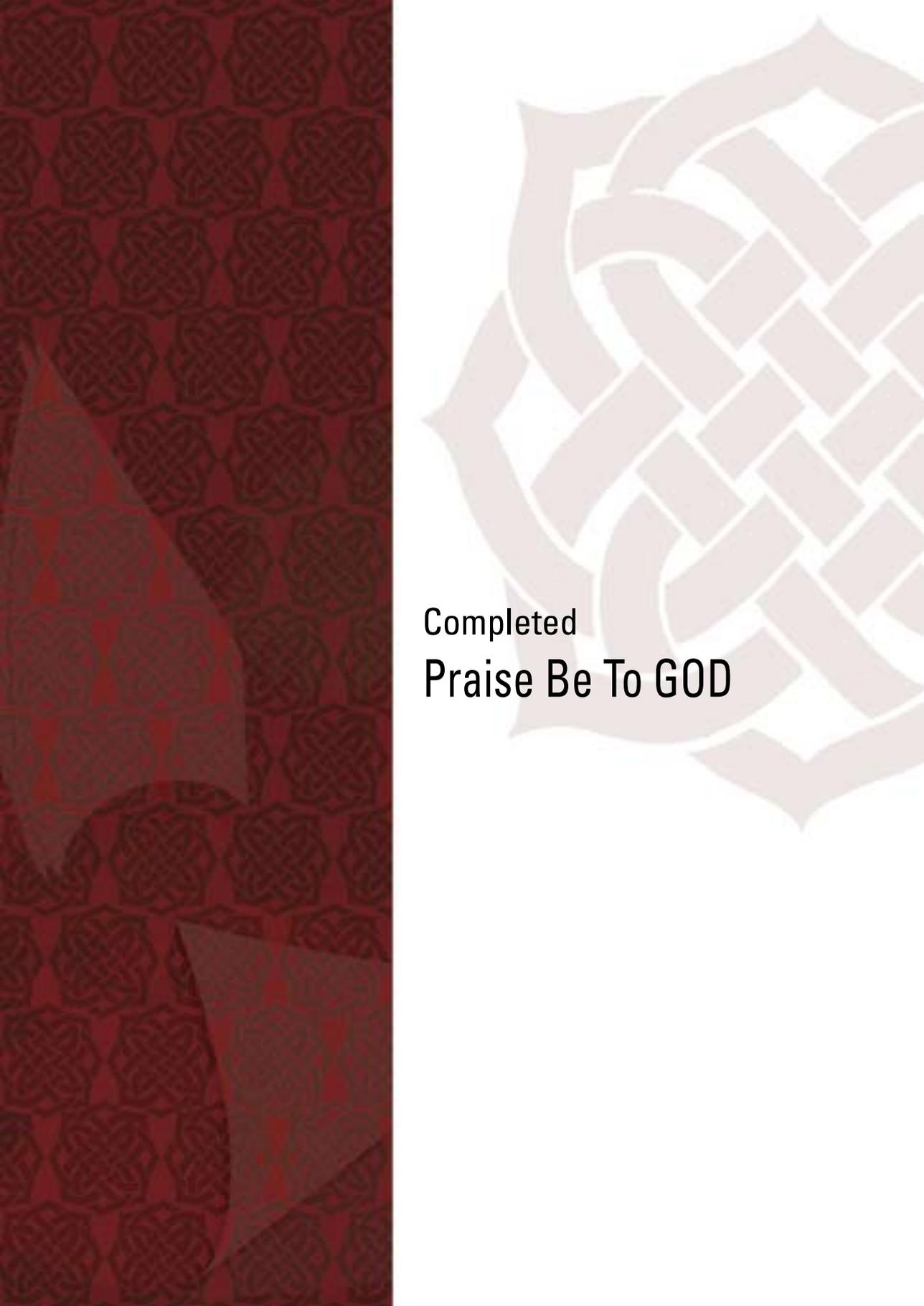
Recommendation 19

Countries should consider the feasibility and utility of a system where banks and other financial institutions and intermediaries would report all domestic and international currency transactions above a fixed amount, to a national central agency with a computerised data base, available to competent authorities for use in money laundering or terrorist financing cases, subject to strict safeguards to ensure proper use of the information.



National Anti-Money
Laundering & Terrorist
Financing Committee





Completed
Praise Be To GOD