

**Financial Follow-up Unit
Palestine**

**Anti-Monetary Laundering Regulations special for the authorities
controlled and supervised by the Capital Authority No. (3/2009)**

Issued by the National Anti-Monetary Laundering Committee

**In accordance to section 14 of the article 20 of the Anti-Monetary
Laundering Law No. 9 of 2007**

**And based on what has the National Anti-Monetary Laundering
Committee decided in its meeting held on // 2009**

It was decided:

**Article 1
Definitions**

A) The following words and terms have the special meaning wherever found in these regulations unless their synonyms have different meaning:

The Law: anti-money laundering law No. 9 for the year 2007

The Unit: Financial Follow-up unit established according to article No. 23 of the law.

The Financial corporations: the corporations mentioned in article 2 of these regulations.

The Client: the natural or fiduciary person who deals with the financial corporations.

B) The words and terms of these regulations have their special meanings in the law unless their synonyms have different meaning.

Article 2

Context of application

The financial corporations controlled and supervised by the committee are found to implement these regulations according to the law and regulations issued thereof.

Article 3

Recognition and verification of clients

The financial corporations must commit to the following:

1. Reviewing the client's official documents when starting dealing with him in order to recognize him and the nature of his activity by getting copies of these documents signed as copy according to the original.
2. Taking the necessary procedures in order to be verified of the information got from the client through neutral and entrusted sources including the official authorities that issued those documents mentioned in section 1 of this article.
3. Taking care of the following procedures in case the client is a normal person:
 - A. The client's full name, nationality, date and place of birth, his ID No., the passport No. of non Palestinians, the current and permanent address, the phone No., his work address and his work nature, and any other necessary information.
 - B. In case of dealing by proxy, the attorney must submit a copy of the power of attorney certified by the notary public in addition to the other instruments certifying the attorney's and the principal's status.
 - C. In case of dealing with disqualified persons, their documents and their representatives documents must be submitted in accordance to section 1 of this article.
 - D. Opening accounts must be filled in special forms for the authorities and their branches mentioning that the client is the original owner and the sole beneficent but the data of these

forms must be updated each three years or when there is suspicion in any stage.

4. Taking care of the following procedures in case the client is a fiduciary person:
 - A. to know the name, address, headquarter, managers' IDs, date and No. of registration and then to show the duly certified documents:
 - Certificate of registration.
 - Contract of establishment.
 - Bylaws.
 - The authorized person of signing on his behalf.
 - The legal delegate ID.
 - B. To verify of the partners names whose share is more than 10% of the company's capital and the real beneficent and to attach the relevant documents in addition to what was mentioned in section 1 above.
 - C. The rules mentioned in A and B of this section is valid for all local and foreign companies and the financial authorities can ask for any additional necessary information.
5. about the charitable associations, the NGOs, and their subordinators:
 - A. To verify their legal existence by submitting the following duly certified documents:
 - B. The association's certificate of registration and the letter of authorization for delegates of signing issued by the competent authorities.
 - C. The Bylaws.
 - D. The legal representative identification.

Article 5

The financial authorities commit to take care in the following cases:

1. When the clients show their up normal care about the financial authorities commitment of notification and their special policies about anti-monetary laundering and when they refuse to give information about their activities or the source of their funds or when they submit documents of personality evidence that are suspected of forgery.
2. The big operations or the operations that do not have economic or legal and clear goal.

3. The operations done with persons who exist in countries not having suitable rules of anti-monetary laundering.
4. Dealing with political personalities according the following:
 - A. Creating a system to manage the dangers that helps to dedicate if the client or his representative or the real beneficent is one of this category. The company's board of directors should create a policy to accept clients of this category and classify the clients according to their dangers rate.
 - B. Obtaining the financial authorities general manager agreement or his deputy when making relationship with such persons.
 - C. Being sure of the source of fortune of the clients and the real beneficent of the political personalities.
 - D. To follow up strictly and consistently the financial authorities dealings with those persons.
5. The clients who do not show any importance toward the dangers or the commissions or other expenses of investment transactions.
6. The clients who face difficulty in describing the nature of their activity or lacking the general information related to that activity.
7. The client who look like as attorney of other person or unknown entity and refuse or do not wish to offer any information about that person or entity.
8. The clients who deal with big amounts without having the minimum knowledge of the nature and danger of investing in stocks or dealing with any activity of the financial authorities.
9. When the client keeps many accounts in his name or when he keeps accounts in the names of the family members or in fiduciary persons name and the repetition of making operation between these accounts without clear reason.
10. When the client does not care of having the best price for the paper money dealing with when selling or buying it.
11. When the client does not care of what the financial authorities offer of investment advices.
12. When paying the value of the executed operations through a mediator and not by the client himself.
13. When the client prefers to deal with the financial authorities by tourist or regular checks for the dealer.
14. When the client feeds his accounts in the financial authorities repeatedly to cover buying operations then selling them after a short period or without justification or to withdraw his money.

15. When the client intentionally makes operations less than 10,000 American Dollars or its equivalent in other currencies in order to avoid dealing with banks or to ask the exemption of dealing with banks for the operations of more than 10,000 American Dollars or its equivalent in other currencies by taking care of the special technique of any of the financial authorities.

Article 6

The financial authorities should commit to the following:

1. Implementing the required policies and procedures to avoid the dangers related to bad usage of dealing indirectly with the client especially those done by using the internet and they must secure a level of procedures to verify the client's identification and his activity that are parallel to the procedures related to the direct dealing with the client.
2. To avoid direct and indirect expressing of any way of any procedure about the suspected operations of containing violation of money laundering whether this expression was done to the client or the non-competent authorities according to the law.
3. It is prohibited according the law to reveal any information about the clients and their transactions to the others than the competent authorities.

Article 7

- 1- The financial authorities should keep the documents and records for a period not less than ten years starting from the beginning or the end of dealing with the client or from the date of closing the account.
- 2- The documents and records mentioned in section 1 of this article should be submitted to the judiciary authorities and to the committee according to her request according to the law.

Article 8

The financial authorities should do the following:

1. To appoint a communication officer to control the application of law, lists, and the regulations issued according to it about anti-monetary laundering and to communicate with the unit but he should have the following qualifications:
 - A. He should occupy one of the high administration jobs in the company.
 - B. He should have the sufficient scientific qualifications and the practical experience.
 - C. He should be of good behavior and not condemned of any crime.
2. To notify the unit of the officer's name and the employee's name who substitutes him in case of his absence.
3. To determine the officer's duties but to include the following tasks:
 - A. Receiving the information about the suspected and the up normal operations provided by the internal financial institution or by the employees or by any other side and then to check these operations.
 - B. In case of any suspected operation, the communication officer should immediately inform the unit by filling the attached form for this purpose and prepared by the unit and attaching to it all the data, copies of the relevant documents and the reasons of suspicion.
4. To enable the communication officer of working freely in a way of keeping the secrecy of the information and the procedures, therefore, he should be allowed to study the records and data that are necessary to do his job and to revise the financial institution's rules and procedures about anti-monetary laundering and the extent of its commitment and then to suggest the necessary things to complete the deficit or what is needed to be developed or increase its competence and efficiency.
5. The communication officer prepares at least an annual report about his activity, his evaluation to the institution's rules and procedures of anti-monetary laundering, the suspected and up normal operations, and the procedures made about them attached by his recommendations.
6. The report mentioned in item 5 of this article should be submitted to the board of directors of the financial authorities in order to put his

- notes and his resolutions and then to send it to the unit and to the capital's committee attached by the financial authorities' notes and decisions.
7. The financial authorities' high administration should revise and control the communication officer's accounts and performance and the employees in his section.

Article 9

The insurance companies procedures about the special care

The insurance companies commit to provide special care for the following insurance operations:

- 1- The persons insurance documents and money formation:
 - a. Life insurance documents connected to the investment units.
 - b. The one payment documents especially if the payment is big.
 - c. Salary's payments.
 - d. The mixed insurance documents.
 - e. Money formation documents.
 - f. The suspected cases specially the early dissolution.
- 2- The property insurance.
- 3- The engineering insurances documents.

Article 10

The insurance companies commit to make reinsurance operations of the following:

1. To be sure of the insurance companies' direct commitment of the correct subscription principles and applying the verification procedures of the clients mentioned in article 4 of these regulations related to the incoming operations whether from the local market or the external market in order to fight money laundering.
2. To offer special care to verify the supporting companies' legal status and the financial situation.

Article 11
Training and rehabilitation

1. A training program for the employees in the financial authorities should be formed supervised by the communication officer and the high administration. The training should be done once a year at least and without disturbing the attending the training courses formed by the committee or the unit.
2. The training records mentioned above should be kept in all cases and should include the employees' names, the subjects, and the dates of making the training.

Article 12

All the authorities should implement these regulations and work according to them as soon as they are issued.

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Chairman of the Anti-Monetary Laundering National Committee