

**Anti-Money Laundering and Counter-Terrorism Financing Decree Law  
No. (39) of 2022**

**The President of the State of Palestine,  
Chairman of the Executive Committee of the Palestine Liberation  
Organization,**

Based on the bylaws of the Palestine Liberation Organization,  
The Basic Law of 2003 and amendments thereto,  
Upon perusal of the Criminal Procedure Code no. (3) of 2001 and amendments  
thereto,  
Penal Code No. (16) of 1960 applicable in the northern governorates and  
amendments thereto,  
Penal Code No. (74) of 1936, applicable in the southern governorates and  
amendments thereto,  
Decree Law No. (10) of 2018 on cybercrime and amendments thereto,  
Decree Law No. (9) of 2010 on banks and amendments thereto,  
Decree Law No. (42) of 2021 on companies,  
Securities Law No. (12) of 2004,  
Law No. (9) of 2004 on the Practice of the Auditing Profession and amendments  
thereto,  
Law on Regulated Lawyers No. (3) of 1999 and amendments thereto,  
The Customs and Excise Law No. (1) of 1962 and amendments thereto,  
Law No. (1) of 2000 on Charities and Civil Organizations and amendments  
thereto,  
Anti-Corruption Law No. (1) of 2005 and amendments thereto,  
Decree Law No. (18) of 2015 on combating narcotics and psychotropic  
substances and amendments thereto,  
Regulation on the AML/CFT Supervision of Dealers in Precious Metals and  
Stones No. (5) of 2021,  
The United Nations Convention against Transnational Organized Crime of 2000,  
The United Nations Convention against the Illicit Traffic in Narcotic Drugs and  
Psychotropic Substances of 1988,  
The four Geneva Conventions and their Additional Protocols,  
The 1973 Convention on the Prevention and Punishment of Crimes Against  
Internationally Protected Persons, including Diplomatic Agents,  
The 1980 Convention on the Physical Protection of Nuclear Material,  
The International Convention for the Suppression of Acts of Nuclear Terrorism of

2005,

And upon the recommendation of the Council of Ministers on 04/07/2022,

Based on the authorities conferred upon us,

And to serve the public interest,

**Hereby issue the following decree law:**

## **Chapter I Definitions and general provisions**

### **Article (1) Definitions**

The following terms and expressions contained in this law shall have the meanings assigned thereto, unless the context indicates otherwise:

**State:** The State of Palestine

**President:** The President of the State of Palestine.

**PMA:** The Palestine Monetary Authority.

**Committee:** The National Committee for Anti- Money Laundering and Countering Terrorist Financing established under the provisions of the present Decree Law.

**Unit:** The Financial Follow-Up Unit established under the provisions of the present Law.

**Funds:** Assets of any kind, and economic resources, including oil and other natural resources, property of every kind, whether corporeal or incorporeal, tangible or intangible, movable or immovable, however acquired, and virtual assets, legal documents or instruments in any form, including electronic or digital, evidencing title to, a share of, or interest in, such funds, and traded currencies, bank credits, travelers cheques, bank cheques, money orders, money transfers, cash transfers, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds, and any other assets which potentially may be used to obtain funds, goods or services.

**Virtual assets:** A digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes. Virtual assets do not include digital representations of fiat currencies, securities and other financial assets that are already covered elsewhere in the present Decree Law.

**Virtual Asset Service Providers (VASPs):** Any natural or legal person, who, as a business, conducts one or more of the activities or operations set out in Article (4) of the present Decree Law for or on behalf of another natural or legal person.

**Predicate Offence:** Any offence set out in penal laws or any law in force in the State.

**Proceeds of Crime:** funds obtained, directly or indirectly, totally or partially, through the commission of a predicate offence.

**Dual Criminality:** the criminalization of the criminal behavior constituting the subject of a mutual legal assistance or extradition request according to the laws of both the requesting and the requested countries in the MLA or extradition request, regardless of whether the laws of both countries have the same categorization or use the same term for such offence.

**Person:** Any natural or legal person.

**Trust/Trust Fund:** Legal relationships created – inter-vivos or on death - by a person, the settlor, when funds have been placed under the control of a trustee or a *Nazer* in the case of a *Waqf* for the benefit of a beneficiary or for a specified purpose. Such assets constitute a separate fund and are not a part of the trustee's or *Nazer's* own estate; title to the trust assets stands in the name of the trustee or *Nazer*, or in the name of another person on behalf of the trustee; the trustee has the power to manage, employ or dispose of the assets in accordance with the terms of the trust and the special duties imposed upon him/her by law.

**Express Trust:** A trust clearly created by the settlor or person, usually in the form of a document e.g. a written deed of trust. It is to be contrasted with trusts which come into being through the operation of the law and which do not result from the clear intent or decision of a settlor to create a trust or similar legal arrangements (e.g. constructive trust).

**Legal Arrangement:** express trusts or other similar legal arrangements.

**Financial Institution (FI):** Any natural or legal person, subject to the laws, regulations and instructions in force in the State, who conducts one or more of the activities or operations set out in Article (2) of the present law, for or on behalf of a customer.

**Designated non-financial businesses and professions (DNFBPs):** Anyone conducting as a business one or more of the activities set out under Article (3) of the present law.

**Trust and company service provider (TCSP):** Any person providing as a business any of the following services to third parties:

1. Acting as a formation agent of legal persons;
2. Acting as - or arranging for another person to act as - a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
3. Providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
4. Acting as - or arranging for another person to act as - a trustee of an express trust or performing the equivalent function for another form of legal arrangement;
5. Acting as - or arranging for another person to act as - a nominee shareholder for another person.

**Non-profit organization (NPO):** A legal person or arrangement or association, civil organization or institution that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social, fraternal or other purposes.

**Transaction:** Any disposition of funds including any purchase, sale, loan, mortgage, transfer, movement, delivery, or any other disposition of funds carried out by a natural or legal person, including for example deposit, withdrawal or transfer of funds between accounts, currency exchange, loan, extension of credit, buying or selling stocks, bonds, deposit certificates or rental of safe deposit boxes.

**Business relationship:** A relationship that may be established between the customer and the financial institution or any of the DNFBPs in relation to the activities,

services or products they offer to the customer.

**Beneficial Owner:** the natural person who ultimately and effectively owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement or their management.

**Bearer negotiable instruments (BNIs):** monetary instruments in bearer form such as: traveller's cheques; negotiable instruments (including cheques, promissory notes and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery; incomplete instruments (including cheques, promissory notes and money orders) signed, but with the payee's name omitted.

**Instrumentalities:** Any funds or tools or means used or intended to be used in any manner, wholly or partly, to commit money laundering, terrorism financing or one or more predicate offence.

**Provisional Seizure:** Temporary prohibition on the transfer, conversion, disposition, movement or use of property on the basis of a decision made by a competent court or any competent authority pursuant to the present Law, including proceeds or instrumentalities which may have been used or were intended to be used to commit a crime, or funds used or intended to be used or allocated to finance terrorism, terrorist acts or organization, or laundered funds and funds of an equivalent value to the proceeds.

**Freezing:** to prohibit the transfer, conversion, disposition or movement of funds or other assets, equipment or other instrumentalities owned or controlled by designated persons or entities on the basis, and for the duration of the validity of, an action initiated by the UN Security Council or in accordance with relevant UN Security Council Resolutions implemented by the Committee.

**Confiscation:** The permanent deprivation of funds, proceeds of crime or instrumentalities based on a ruling issued by a competent court.

**Controlled delivery:** A method that allows illegal or suspicious shipments to enter, exit, or pass through the national territory with the competent authorities' knowledge and under their surveillance for the purpose of investigating any crime and determining the identity of the perpetrators.

**Undercover operation:** An investigation method implemented by a law enforcement officer, by assuming a different identity, playing a hidden or fictitious role as a means of obtaining evidence or information related to criminal activity.

**Politically Exposed Person (PEP):** Any person representing the following categories:

1. Foreign PEPs: individuals who are or have been entrusted with prominent public functions by a foreign country, including:

- a. Heads of State or of government
- b. Senior politicians
- c. Senior government, judicial or military officials
- d. Senior executives of state-owned corporations
- e. Important political party officials
- f. Other persons identified by the Committee

2. Domestic PEPs: individuals who are or have been entrusted domestically with prominent public functions including the positions mentioned under paragraph 1 above.

3. Persons who are or have been entrusted with a prominent function by an international organization, including

- a. Members of senior management (i.e. directors and deputy directors)
- b. Members of the Board
- c. Equivalent positions to those under sub-paragraphs a and b of this paragraph.

**Payable-through accounts:** Correspondent accounts that are used directly by third parties to transact business on their own behalf.

**Competent Authority:** Any governmental or public authority with designated responsibilities for combating money laundering and/or terrorist financing, or any predicate offense according to its mandate. In particular, this includes the Public Prosecution and law enforcement officers, authorities in charge of registering legal entities, NPOs and legal arrangements as per the laws and regulations of the State.

**Supervisory Authority:** The authority or body responsible, as per laws or regulations related to supervision or regulation, for ensuring compliance by financial institutions, DNFBPs and NPOs, with requirements set out in the law, and its

executive regulations, instructions and directions.

**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 regulated financial group that is subject to effective consolidated supervision. The existence simply of a local agent or low-level staff does not constitute physical presence.

**Terrorist Act:** Any terrorist act set out in the Penal Code enforced in the State.

**Terrorist:** Any person who perpetrates any of the following:

1. Commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully; or participates as an accomplice in terrorist acts, organizes or directs others to commit terrorist act;
2. Contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

**Terrorist organization:** A group of terrorists that perpetrates any of the following:

1. Commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully;
2. Participates as an accomplice in terrorist acts;
3. Organizes or directs others to commit terrorist acts;
4. Contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

**Relevant UNSCRs:** Resolutions issued by the UN Security Council under Chapter VII of the UN Charter on combating and preventing terrorism, terrorist financing or the prevention, suppression and disruption of proliferation financing, including Resolutions (1267) of 1999, (1373) of 2001, (2253) of 2015, (1718) of 2006, (1874) of 2009, (2087) of 2013, (2094) of 2013, (2231) of 2015, (2270) of 2016, (2321) of 2016, (2356) of 2017, and all related current, future and subsequent resolutions.

## **Article (2)**

### **Financial Institutions**

A financial institution shall mean any natural or legal person who conducts as a business one or more of the following activities or operations for or on behalf of a customer:

1. Acceptance of deposits and other repayable funds from the public, including private banking services.
2. Lending.
3. Financial leasing.
4. Money or value transfer services.
5. Issuing and managing means of payment.
6. Financial guarantees and commitments.
7. Trading in: (a) money market instruments (cheques, bills, certificates of deposit, derivatives etc.); (b) foreign exchange; (c) exchange, interest rate and index instruments; (d) transferable securities; (e) commodity futures trading.
8. Participation in securities issues and the provision of financial services related to such issues.
9. Individual and collective portfolio management.
10. Safekeeping and administration of cash or liquid securities on behalf of other persons.
11. Otherwise investing, administering or managing funds or money on behalf of other persons.
12. Underwriting and placement of life insurance and other investment related insurance, this also includes insurance undertakings and insurance agents and brokers.
13. Money and currency changing.
14. Any other activities or operations identified by the Committee in consultation with the supervisory authority.

## **Article (3)**

### **Designated non-professional Businesses and Professions**

DNFBPs shall mean any of the following businesses:

1. Real estate agents and brokers when undertaking deals for their customers related to the purchase and sale of real estate.



2. Dealers in precious metals and stones
3. Lawyers, accountants and auditors when preparing for, executing or taking part in transactions for their customers, in relation to the following activities:
  - a. Sale and purchase of real estate
  - b. Managing of client money, securities or other assets;
  - c. Management of bank, savings or securities accounts;
  - d. Organization of contributions for the creation, operation or management of companies;
  - e. Creating, operating or management of legal persons or arrangements, and buying and selling of business entities.
4. Trust and company service providers.
5. Any other business or profession identified by the Committee.

**Article (4)**  
**Virtual Assets Service Providers (VASPs)**

VASP means any person who, as a business, conducts one or more of the following activities or operations:

1. Exchange between virtual assets and fiat currencies;
2. Exchange between one or more forms of virtual assets;
3. Transfer of virtual assets, and in this context, transfer means conducting a transaction on behalf of another natural or legal person that moves a virtual asset from one virtual asset address or account to another.
4. Safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets;
5. Participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

**Article (5)**  
**Money Laundering Offense**

1. Any person who commits any of the following acts shall be deemed to have committed the offence of money laundering (ML):
  - a. The conversion, transfer or transportation of funds by any person, with the knowledge that such funds are proceeds of crime, for the purpose of disguising or concealing their illicit nature or source or of assisting any person involved in the commission of the predicate

- offense to evade the legal repercussions of their acts;
- b. Disguising or concealing the true nature, source, location, method of disposal, movement, ownership or rights related to funds by any person, with the knowledge that such funds are proceeds of crime;
  - c. Acquiring, owning or using funds by any person, with the knowledge, upon receipt, that such funds are proceeds of crime.
  - d. Participation in, aiding and abetting, conspiracy to commit, attempting, facilitating, counselling the commission of or collusion to commit any of the acts set out in the present paragraph.
2. Knowledge, intent or motive, as basic elements of the crime, shall be inferred from factual and objective circumstances. When proving that funds are proceeds of crime, the conviction of the person for the predicate offense shall not be a condition.
  3. A person shall be deemed to have committed the offence of money laundering of the proceeds of a predicate offence, pursuant to the present article, whether such crimes occurred in the State or abroad, provided the predicate offence committed outside of the State is an offence in the State and is criminalized under the law in effect in the State.
  4. The offense of money laundering applies to persons committing the predicate offense and punishment of the perpetrator of the predicate offense shall not prevent punishment for money laundering.

### **Article (6)**

#### **Terrorism Financing Offence**

1. A person shall be deemed to have committed the offence of terrorism financing (TF) when they intentionally provide or collect funds from a legitimate or illegitimate source, by any means, directly or indirectly with the unlawful intention that they should be used, or in the knowledge that they are to be used, in full or in part, in the commission of a terrorist act or by a terrorist or terrorist organization.
2. A person shall be deemed to have committed the offence of terrorism financing when they intentionally provide or collect funds from a legitimate or illegitimate source, by any means, directly or indirectly for the purposes of financing the travel of individuals who travel to a State other than their States of residence or nationality for the purpose of the perpetration, planning, or preparation of, participation in, or facilitating terrorist acts or the providing or receiving of terrorist training.

3. A person shall also be deemed to have committed the crime of terrorism financing if they:
  - a. Attempt to commit the terrorism financing offence
  - b. Participate as an accomplice in a terrorism financing offence or attempted offence
  - c. organize or direct others to commit a terrorism financing offence or attempted offence
  - d. Contribute to the commission of one or more terrorism financing offence(s) or attempted offence(s), by a group of persons acting with a common purpose.
4. Knowledge or intent, as basic elements of the crime set out in the present Article, shall be inferred from factual and objective circumstances.
5. The TF offence shall apply regardless of whether the terrorist act occurred or not, or whether the funds were actually used to carry out or attempt a terrorist act or were linked to a specific terrorist act or not.
6. The TF offence shall apply regardless of the country where the person alleged to have committed the offence(s) is located, whether it is in the same country or a different country from the one in which the terrorist(s)/terrorist organization(s) is located or the terrorist act(s) occurred/will occur.

## **Chapter II**

### **Transparency and requirements of financial institutions, DNFBPs, and NPOs**

#### **Article (7)**

##### **Prohibition on establishing and dealing with shell banks**

1. It is prohibited to establish or operate a shell bank in the State.
2. Financial institutions are prohibited from:
  - a. Entering into or continuing a business relationship or operations with shell banks.
  - b. Entering into or continuing correspondent banking relationships or operations or any business relationship with shell banks or allow such banks to use their accounts.
3. Financial institutions shall satisfy themselves that respondent financial institutions do not permit their accounts to be used by shell banks.

#### **Article (8)**

## **Transparency of legal persons and arrangements**

1. Competent authorities in charge of registering legal persons, NPOs and legal arrangements shall abide by the following:
  - a. Guarantee adequate transparency in relation to the beneficial ownership of legal persons, NPOs and legal arrangements that may be established in the State.
  - b. Maintain, preserve and update basic information, information on legal and beneficial ownership, and control structure of legal persons established in the State, in a manner that is adequate and accurate.
  - c. Allow the Unit, Public Prosecution and Law enforcement officers to swiftly obtain the information set out in the present article and available to relevant parties.
  - d. Take necessary measures to facilitate access of financial institutions and DNFBPs to beneficial ownership information and monitor information, for the purpose of implementing the provisions of Article (10-11) of the present Law.
2. Ownership of shares in the State shall be direct. It is prohibited to own shares indirectly.
3. Bearer shares are prohibited in the State.
4. Nominee directors are prohibited in the State.
5. Trustees or express trusts shall disclose their status to financial institutions and DNFBPs when establishing a business relationship with such or when undertaking an occasional transaction, pursuant to Article (10) of the present Law.

## **Article (9)**

### **Risk-based Approach**

FIs and DNFBPs shall undertake the following:

1. Identify, assess, understand and monitor ML, TF and WMD proliferation financing (PF) risks, taking into consideration:
  - a. The results of any risk assessment undertaken by the State.
  - b. All risk factors related to their customers, countries or geographic areas, products, services, transactions and delivery channels prior to

establishing the overall risk level and before establishing the level and type of risk mitigation measures to be applied.

2. The nature and scope of risk assessments for ML/TF/PF shall be proportionate to the nature and size of the business of FIs and DNFBPS.
3. Establish policies, controls and measures adopted by their senior management based on their risk assessment and assessment undertaken by the State, to manage and mitigate risks, including allocation of resources. The implementation of such controls shall be monitored and they shall be enhanced as required.
4. Assess ML/TF/PF risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products. Therefore, they shall undertake the risk assessments prior to the launch or use of such products, practices and technologies, and take appropriate measures to manage and mitigate the risks.
5. Document and update their risk assessments and automatically provide such to supervisory authorities.

### **Article (10)** **Customer due diligence measures**

1. Financial institutions and DNFBPs shall perform the following Customer Due Diligence (CDD) measures for permanent or occasional customers, whether they are natural persons or legal persons or arrangements:
  - a. Refrain from keeping anonymous accounts or accounts under fictitious names.
  - b. Identify and verify the identity of their customers through reliable and independent documents, information or records.
  - c. Verify that a person alleging to act on behalf of a customer is indeed authorized to do so, identify them and verify their identity.
  - d. Identify the beneficial owner and take reasonable measures to verify their identity using documents, information or data obtained from a reliable and independent source to the extent that the financial institution is satisfied that it knows the beneficial owner.
  - e. Understand the purpose and nature of the business relationship and collect information about such, as appropriate.

- f. Understand the nature of the customer's business when it is a legal person or arrangement, and their ownership and control structure.
  - g. Conduct ongoing CDD on any business relationship, including scrutinizing transactions undertaken and their purpose to ensure that the transactions being conducted are consistent with the information that they have of the customer, their business and risk profile, including where necessary, the source of funds; and ensuring that documents, data or information collected under the CDD process is kept up-to-date and relevant, by undertaking reviews of existing records, particularly for higher risk categories of customers.
2. Financial institutions should be required to apply CDD requirements to existing customers on the basis of materiality and risk, since the date of entry into force of the present Law, and to conduct due diligence on such existing relationships at appropriate times, taking into account whether and when CDD measures have previously been undertaken and the adequacy of data obtained.

### **Article (11)** **Timing of CDD**

Financial institutions and DNFBPs shall undertake CDD measures as stipulated under Article (10) of the present law in the following cases:

1. When establishing business relations.
2. When carrying out any occasional transaction:
  - a. Above or equal to the threshold designated by the Committee pursuant to instructions issued in that regard, including situations where the transaction is carried out in a single operation or in several operations that appear to be linked;
  - b. Transferring funds locally or internationally when the amount is above or equal to the value established by the Committee pursuant to instructions issued in that regard;
3. When there are doubts about the veracity or adequacy of previously obtained customer identification data;
4. When there is a suspicion of ML/TF, regardless of any exemptions or thresholds that are referred to under the present law, or any instructions or regulations issued pursuant thereto.

5. Verify the identity of the customer and beneficial owner before or during the course of the establishment of the business relationship or the execution of a transaction for an occasional customer. Financial institutions and DNFBPs may complete verification after the establishment of the business relationship, provided that verification is postponed based on effective ML and TF risk management, and for verification to occur as soon as soon as possible and for it to be essential not to interrupt the normal conduct of business.
6. Adopt risk management procedures in cases where it is possible for the customer to benefit from the business relationship prior to the verification process.

**Article (12)**  
**CDD for PEPs**

In addition to the implementation of CDD measures set out in Article (10) of the present Decree Law, FIs and DNFBPs must abide by the following procedures:

1. In relation to foreign PEPs:
  - a. Establish adequate risk management systems to determine whether a customer or the beneficial owner is a PEP;
  - b. Obtain senior management approval before establishing - or continuing for existing customers - such business relationships;
  - c. Take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as PEPs;
  - d. Conduct enhanced ongoing monitoring on that relationship.
2. In relation to domestic PEPs or persons with a prominent function at an international organization:
  - a. Take sufficient and suitable measures to determine whether a customer or the beneficial owner is a PEP;
  - b. Apply sub-paragraphs (b, c, d) of paragraph (1) of this Article when there is a high-risk business relationship with such PEP.

3. Financial institutions and DNFBPs must apply measures set out in paragraphs (1 and 2) of the present Article to family members and close associates of PEPs.

### **Article (13)**

#### **CDD related to life insurance policies**

1. In addition to CDD measures set out in Article (10) of the present Decree Law, financial institutions shall take the following CDD measures on the beneficiaries of life insurance and other investment related insurance policies, as soon as such beneficiaries are identified or designated, whether they are natural persons or legal persons or arrangements:
  - a. for a beneficiary that is identified as specifically named – obtaining the name of the beneficiary.
  - b. for a beneficiary that is designated by characteristics or by class or by other means – obtaining sufficient information concerning the beneficiary to satisfy the financial institution that it will be able to establish the identity of the beneficiary at the time of the payout;
  - c. in implementing the provisions of sub-paragraphs (a and b) of the present paragraph, the verification of the identity of the beneficiary should occur at the time of the payout.
2. Financial institutions shall consider the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced CDD measures are applicable. If the financial institution determines that a beneficiary who is a legal person or arrangement presents a higher risk, it should be required to take enhanced measures which should include reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of payout.
3. Financial institutions offering life insurance policies shall determine whether the beneficiary or beneficial owner of the beneficiary, are PEPs. This should occur, at the latest, at the time of the payout. Where higher risks are identified, FIs shall undertake the following:



- a. Inform senior management before the payout of the policy proceeds.
- b. Conduct enhanced scrutiny on the whole business relationship with the policyholder.
- c. Consider making a suspicious transaction report to the Unit pursuant to the present Decree Law.

**Article (14)**  
**Enhanced measures for high ML/TF risks**

Financial institutions and DNFBPs shall abide by the following:

1. Identify high risks, taking into account the risk assessment set out under Article (9) of the present Decree Law and guidance issued by supervisory authorities. The risk assessment shall also take into account:
  - a. Risk factors related to customers, the beneficial owner or beneficiary of transactions.
  - b. Risk factors related to countries or geographic areas.
  - c. Risks related to the nature of products, services or transactions offered or their delivery channels.
2. Implement enhanced measures where ML/TF risks are high to manage and mitigate such risks, including by taking enhanced CDD measures.

**Article (15)**  
**Simplified CDD**

1. Financial institutions and DNFBPs may apply simplified CDD when they identify lower ML/TF risks. Risks shall be identified as low based on the risk assessment stipulated under Article (9) of the present Decree Law, instructions and/or guidance issued by the supervisory authority.
2. Simplified CDD shall not be applied in case of a suspicion of money laundering or terrorism financing, in higher risk cases or when the financial institution or DNFBP violates obligations under Article (9) of the present Decree Law.

**Article (16)**  
**Cross-border correspondent relationships**

Financial institutions shall take the following measures in the context of cross-border correspondent banking and other similar relationships:

1. Identify and verify the respondent institutions with which it is establishing banking relations.
2. Gather sufficient information about the respondent institution to fully understand the nature of the respondent's activity.
3. Assess from publicly available information the reputation of the institution and the quality of supervision it is subject to, including whether it has been subject to a ML/TF investigation or regulatory/supervisory action.
4. Obtain approval from senior management before establishing new correspondent relationships.
5. Assess AML/CFT controls applied by the respondent institution, including the adequacy of business policies and procedures, risk-based approach procedures, availability of systems and programs, and any surveys on AML/CFT.
6. Clearly understand the respective AML/CFT responsibilities of each institution.
7. In the case of payable-through accounts, satisfy themselves that the respondent institution has performed CDD obligations on its customers that have direct access to the accounts of the correspondent bank; and is able to provide relevant CDD information upon request.

**Article (17)**  
**Failure to complete CDD**

Where a financial institution or DNFBP is unable to comply with CDD measures requirements set out in the present Decree law or regulations or instructions issued pursuant thereto, it shall refrain from opening the account, commencing a business relationship or performing the transaction; For existing customers or business relations, it shall terminate the business relationship and consider filing a suspicious transaction report to the Unit.

**Article (18)**  
**Customer tipping-off**

In case of suspicion of money laundering or terrorist financing, and where there are

reasonable grounds to believe that performing the CDD process will tip-off the customer, the financial institution or DNFBP may decide not to pursue the CDD process and file an STR to the Unit.

**Article (19)**  
**Special measures for dealers in precious metals and stones**

Dealers in precious metals and stones shall implement the measures stipulated under Articles (9/3, 10, 11, 12, 13, 14, 15, 17, 18, 20, 21, 22, 23) of the present Decree Law, when conducting a cash transaction of a value that is equal to or higher than the value set by the Committee.

**Article (20)**  
**Enhanced due diligence for high-risk jurisdictions**

Financial institutions and DNFBPs, based on the notification they receive from the supervisory authority as stipulated under Article (30) paragraph (3) of the present Decree Law, and in line with the risk level, shall implement enhanced due diligence measures on business relationships and transactions with natural or legal persons, including foreign financial institutions, in the jurisdictions identified by the Committee. They shall also implement any measures circulated by the Committee under Article (30) paragraphs (4 and 13) of the present Decree Law.

**Article (21)**  
**Record-keeping**

1. Financial institutions and DNFBPs shall maintain all records and documents related to transactions, whether domestic or international, commercial or cash, for at least ten years following completion of the transaction. They shall also keep all account files and business correspondence, results of any analysis undertaken, and all records obtained from CDD measures, for at least ten years following the termination of the business relationship or after the date of the occasional transaction. Such records shall be provided in a timely manner to competent and judicial authorities upon request, according to laws in force.
2. In addition to records that must be maintained pursuant to laws and regulations, NPOs shall maintain the following for a period of no less than ten years:
  - a. Information about the declared objectives of their activities, their purpose, the identity of persons owning, controlling or managing such activity,

- including senior employees, members of the Board and trustees. Such information shall be publicly available either directly from the NPO or through the supervisory and competent authority.
- b. Records of domestic and international transactions that are sufficiently detailed to verify that funds were spent in line with the purpose and objective of the NPO.
  - c. NPOs shall seek to provide the records mentioned under sub-paragraphs (a and b) of the present paragraph to the competent authority or the supervisory authority for NPOs upon request.
3. Records to be kept in line with the provisions of the present Article should be sufficient to permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution for money laundering, terrorism financing or predicate offenses.
  4. In case an investigation is open, the information and documents mentioned in the present Article shall be maintained until the end of the investigation, provided that the record-keeping mechanism is in line with the accepted procedures at Palestinian courts and with domestic laws.

## **Article (22)**

### **Internal controls**

FIs and DNFBPs shall establish and implement programs against ML/TF and predicate offenses, in line with ML/TF risks and the size of the business. Such programs include the following:

1. Internal policies, procedures and controls.
2. Compliance management arrangements, including the appointment of a compliance officer at the management level in charge of the follow-up on the implementation of the provisions of the present Decree Law and any regulations or instructions issued pursuant thereto and of immediately reporting suspicious transactions to the Unit, pursuant to Article (25) of the present Decree law.
3. Screening procedures to verify the background of employees and ensure high standards of competence.
4. Ongoing employee and senior employee training.
5. An independent audit function to test and assess the effectiveness of their AML/CFT systems.

**Article (23)**  
**Foreign branches and majority-owned subsidiaries**

1. Provisions of Articles (9) to (22) of the present Decree law shall apply to branches and majority-owned subsidiaries of financial institutions and DNFBPs operating abroad, to the extent allowed by domestic laws and regulations in the foreign country.
2. Financial institutions and DNFBPs that have branches or subsidiaries in countries with laws that do not allow the implementation of the provisions of the present Decree law, shall inform the supervisory authority and implement adequate additional measures to manage ML/TF risks.
3. Financial institutions and DNFBPs that are part of groups shall implement group-wide programs against ML/TF, which are binding to all branches and majority-owned subsidiaries of the group. These programs include the measures set out in Article (22) of the present Decree law and also:
  - a. Policies and procedures for sharing information required for the purposes of CDD and ML/TF risk management;
  - b. The provision, at group-level compliance, audit, and/or AML/CFT functions, of customer, account, and transaction information from branches and subsidiaries when necessary for the implementation of the provisions of the present Decree Law and any regulations or instructions issued pursuant thereto. This includes information and analysis of transactions or activities which appear unusual. This shall include reports on suspicious transactions and their information or a certain incident if an STR is filed, in line with their risk management. Branches and subsidiaries receive such information from these group-level functions when relevant and appropriate to risk management. The extent and scope of sharing such information may be identified based on the sensitivity of such information and to what extent it is linked to the management of ML/TF risks.
  - c. Adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

**Article (24)**  
**Supervisory authority obligations**

1. Supervisory authorities are in charge of supervising, following-up on, monitoring and verifying compliance of FIs, DNFBPs, and NPOs with requirements stipulated under the present Decree law, its implementing regulations, instructions and guidance issued pursuant thereto.
2. Without prejudice to the provisions of the present Decree Law, supervisory authorities shall undertake the following:
  - a. Establish necessary measures to prevent criminals and their associates from holding, or being the beneficial owner of, a large or controlling interest or a management function in a financial institution, DNFBP, or NPO. They shall also take additional measures to prevent criminals and their associates from becoming professionally certified in DNFBPs.
  - b. Regulate, supervise, and follow-up on the compliance of FIs, DNFBPs and NPOs with their requirements as set out in the present Decree law and any regulations or instructions issued pursuant thereto, including conducting on-site and off-site inspections.
  - c. Issue instructions and guidance and provide feedback, to assist FIs, DNFBPs and NPOs in complying with the requirements set out in the present Decree Law.
  - d. Cooperate and exchange information with other competent authorities, provide assistance in investigations, prosecutions and proceedings related to money laundering, terrorism financing and predicate offenses, in line with agreed mechanisms.
  - e. Enhance internal cooperation in line with the standards and objectives set by the Committee on reporting suspicious transactions, in line with existing national and international standards and those that are subsequently enforced.
  - f. Ensure that financial institutions, DNFBPs, NPOs and their foreign branches and subsidiaries are implementing the procedures set out in the present Decree Law, to the extent permitted by the laws of these countries.
  - g. Swiftly report to the Unit any information on transactions, activities or incidents suspected to include money laundering, terrorism financing or any predicate offense.

- h. Oblige FIs, DNFBPs or NPOs under their supervision to provide any information that they request, in relation to following up on compliance with AML/CFT requirements.
    - i. Work on facilitating access of FIs, DNFBPs and NPOs to independent and reliable sources to verify CDD information, and any information that may assist in identifying whether a customer or beneficial owner is a PEP.
3. Supervisory authorities shall adopt a risk-based approach, identify and understand ML/TF risks, establish policies and procedures, allocate resources, and verify the extent of compliance of financial institutions, DNFBPs or NPOs with the risk-based approach. They shall review the assessment of the ML/TF risk profile of financial institutions and groups, including risks of non-compliance, periodically, and when there are developments in the management and operations of the financial institution or group.
4. The frequency and intensity of on-site and off-site AML/CFT supervision of financial institutions or groups, DNFBPs or NPOs, should be determined on the basis of:
  - a. the ML/TF risks and the policies, internal controls and procedures associated with the institution, group, DNFBP or NPO, as identified by the supervisory authority's assessment of the institution, group, DNFBP or NPO risk profile;
  - b. the understanding of supervisory authorities, DNFBPs and NPOs of ML/TF risks;
  - c. the ML/TF risks present in the country;
  - d. the characteristics of the financial institutions or groups, in particular the diversity and number of financial institutions and the degree of discretion allowed to them under the risk-based approach.

## **Article (25)**

### **Reporting**

1. Financial institutions and DNFBPs must verify the background and objective of all large and unusually complex transactions, and unusual transaction patterns that have no clear economic or legal purpose, to the largest extent possible and especially, obliged entities shall enhance their level of monitoring of the business relationship to establish whether such activities or operations seem suspicious.

2. FIs and DNFBPs shall prepare a written report containing specific information about relations and business relations as set out in Paragraph (1) of the present Article and the identity of all concerned parties. Such report shall be kept in line with Article (21) of the present Decree Law, and shall be submitted upon request from the Unit, the supervisory authority and other competent authorities.
3. If a financial institution or DNFBP suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to ML or TF, or if they are aware of an action or activity that may indicate a crime of ML, TF or a predicate offense, they shall immediately report such to the Unit, in line with the instructions issued by the Unit in that regard.
4. Financial institutions and DNFBPs shall report to the Unit immediately any suspicious transaction and activity in line with Paragraph (3) of the present Article, including attempted transactions and regardless of their value.
5. Lawyers are exempted from the obligation to report information that they receive from or obtain through one of their clients, in the course of ascertaining the legal position of their client, or in performing their task of defending or representing that client in, or concerning judicial, administrative, arbitration or mediation proceedings. This includes counsel on starting or avoiding such proceedings, regardless of whether such information is received or obtained before, during or after such proceedings.
6. Dealers in precious metals and stones shall report any suspicious transactions to the Unit, pursuant to paragraph (3) of the present article, whenever they engage in any cash transaction of a value equal to or higher than (15,000) USD or its equivalent in other legally traded currencies.
7. Real estate brokers and agents shall report suspicious transactions to the Unit in line with paragraph (3) of the present Article, when undertaking operations on behalf of their customers to buy or sell real estate properties.

## **Article (26)**

### **Non-disclosure of information**

Financial institutions and DNFBPs, and their directors, officers and employees are prohibited from disclosing to their customers or any third party any information that is provided to the Unit, or the fact that an STR related to ML, TF or a predicate offense is being or will be filed with the Unit, or that an investigation in ML, TF or a predicate offense is being or will be undertaken.



**Article (27)**  
**Non-Disclosure exceptions**

Subject to the provisions of Article (26) of the present Decree Law, it is allowed to disclose or communicate suspicions of ML, TF or any predicate offense between directors, officers and employees in financial institutions, DNFBPs and judicial authorities. This shall not hinder the sharing of information at the level of the group, as indicated under paragraph (3) of Article (23) of the present Decree Law.

**Article (28)**  
**Protection from Liability**

No criminal, civil, disciplinary or administrative actions shall be taken against financial institutions and DNFBPs or their directors, officers or employees 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 Unit in line with the provisions of the present Decree Law, even if they did not know precisely what the underlying criminal activity was, and regardless of whether it actually occurred or not.

**Chapter III**  
**The National AML/CFT Committee**

**Article (29)**  
**Establishment of the Committee**

1. A committee known as “The National Committee for Anti-money Laundering and Counter Terrorism Financing” shall be established pursuant to the provisions of the present Decree Law by Decision from the President of the State and based on the recommendation of the Governor of the PMA. It shall include:
  - a. The Governor of the PMA or the vice governor in their absence as Chairman.
  - b. The Public Prosecutor or one of their assistants as member.
  - c. A representative of the Ministry of Justice as member.
  - d. A representative of the Ministry of Interior as member.
  - e. A representative of the Ministry of Foreign Affairs as member.
  - f. A representative of the PMA as member.

- g. The General Director of the Palestine Capital Market Authority (PCMA), as member.
  - h. The company registrar, as member.
  - i. The General Director of Customs, Excise and VAT, as member.
  - j. A financial expert, as member.
2. Representatives mentioned in the present Article shall all be senior level public servants.
  3. The Chairman of the Committee shall select a Secretary for the Committee from the Unit.
  4. Any other entity may be represented as a member of the Committee, as necessary, based on the decision of the President of the State and the recommendation of the Chairman of the Committee.
  5. The Chairman of the Committee may, as necessary, invite any person to participate to Committee meetings, in an advisory role, without having any voting rights.

**Article (30)**  
**Mandate of the Committee**

The Committee shall have the following mandate:

1. Establish and follow up on the implementation of policies and strategies to combat money laundering, terrorism financing and proliferation financing. In doing so, the Committee may, as necessary, coordinate with other entities that are not represented in it.
2. Coordinate with competent and supervisory authorities to develop and implement policies, activities and procedures to combat money laundering, terrorism financing and proliferation financing and activate the necessary policies for cooperation among these authorities and the Unit to facilitate the flow of information between them and guarantee data protection and privacy.
3. Identify high-risk jurisdictions based on FATF calls, and notify financial institutions and DNFBPs of such through supervisory authorities to implement enhanced due diligence measures in line with the risk level.

4. Take effective and risk-proportionate counter-measures based on FATF calls or based on the initiative of the Committee and notify all relevant parties to implement such measures.
5. Keep abreast of international and regional developments in the field of AML/CFT.
6. Represent the State in international AML/CFT forums.
7. Submit annual reports on anti-money laundering and counter-terrorism financing or countering predicate offenses to the President of the State.
8. Discuss and adopt the Unit's budget.
9. Appoint a Director for the Unit based on the recommendation of the Chairman of the Committee for a term of 5 years, renewable once.
10. Establish policies that guarantee the Unit's work independence.
11. Establish the necessary regulations to implement the provisions of the present Decree Law and submit such to the Cabinet for issuance.
12. Issue the necessary instructions to implement the provisions of the present Decree Law.
13. Notify financial institutions and DNFBPs of concerns arising from vulnerabilities in the AML/CFT regimes of other countries, through their supervisory authorities.
14. Adopt an analytical and statistical report on ML and TF typologies.
15. Identify any activities, businesses or other professions that are not included in the present Decree Law, as financial institutions or DNFBPs.
16. Grant administrative and financial privileges to employees of the Unit based on the recommendation of the Unit's Director, in line with regulations implemented in the Unit.

### **Article (31)**

#### **Mandate of the Committee in relation to risks**

In addition to the mandate of the Committee set out in Article (30) of the present Decree Law, the committee shall be in charge of the following:

1. Coordinate measures to identify and assess risks related to ML, TF and proliferation financing and obtain all information from supervisory and competent authorities to conduct and update such assessment. The risk assessment shall include:

- a. Risks that may arise from developing or using new products and business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products.
  - b. Risks arising from virtual assets or virtual asset service providers activities or operations.
2. Disseminate the results of the risk assessment to all competent and supervisory authorities, financial institutions, and DNFBPs, and enhance their adequate understanding of ML/TF risks in the State.
  3. Allocate resources and establish policies and strategies based on the risks identified, review such periodically, and issue necessary instructions in that regard and risk mitigation measures.

### **Article (32)** **Committee meetings**

1. The Committee membership term is of (4) renewable years.
2. The Committee shall meet at least every three months, and keep minutes of its meetings. Meetings shall be valid in the presence of the absolute majority (half + 1) of Committee members. The Committee shall establish its own by-laws to clarify its working mechanism, how to convene its meetings, its voting and decision-making mechanisms and remunerations, pursuant to laws in the State.
3. The Director of the Unit may attend the meetings of the Committee without having the right to vote.

### **Article (33)** **Powers of the Committee Chairman**

The Chairman of the Committee shall have the following powers:

1. Convene Committee meetings.
2. Represent the Committee in international forums and sign on its behalf.
3. Recommend to the Committee the appointment of the Director of the Unit.
4. Issue instructions adopted by the Committee.

## **Chapter 4** **Financial Follow-up Unit**

**Article (34)**  
**Financial Follow-up Unit**

Pursuant to this Decree Law, an independent unit shall be established as a national central unit for combating ML/TF and associated predicate offences. It shall be called the “Financial Follow-up Unit” (FFU) and headquartered at the PMA, and shall undertake the following functions:

1. Receiving and analyzing the reports submitted under paragraphs (3, 4, 6, 7) of Article (25) of this Decree Law, and any other information related to ML/TF or associated predicate offences.
2. Receiving and requesting information from the competent authorities subject to this Decree Law on ML/TF or associated predicate offences.
3. Conducting operational and strategic analysis, using accessible information and reports available, including data that may be provided by competent authorities, to identify specific targets, track specific activities or operations, identify links between targets and potential proceeds of ML/TF and predicate offences, and identify ML/TF trends and patterns.
4. Receiving reports on daily local or cross-border financial transactions by natural and legal persons and arrangements from FIs in line with the instructions issued by the Committee in this regard.
5. Maintaining comprehensive statistics on STRs and SARs received and disseminated in line with this Decree Law as well as STRs and SARs received and administratively archived.
6. Developing guiding principles and providing feedback to FIs and DNFBPs to identify and report suspicious transactions, whether on its own or in coordination with other competent authorities.

**Article (35)**  
**FFU’s administrative arrangements**

1. The FFU shall exercise its functions independently, and no party or authority may interfere in its work or attempt to influence its decisions.
2. The FFU is funded by the PMA based on the budgets adopted and approved by the Committee.
3. The FFU shall implement the budget approved by the Committee.
4. The staff of the FFU shall be appointed in line with its regulations.

5. Without prejudice to this Decree Law, the administrative and financial regulations in force in the PMA, including the personnel system, shall apply to the FFU.
6. The FFU and its transactions shall be exempted from all government fees and stamps. Any purchase and expenditure it makes which exceeds (5000) five thousand US dollars or its equivalent in the currency in legal circulation shall be exempted from all fees, customs and taxes.

**Article (36)**  
**Periodic and statistical reports**

1. The Director of the FFU shall prepare periodic reports in line with the rules and regulations issued under this Decree Law, as well as an annual report to be submitted to the Committee on its activities and those related to ML/TF. The annual report shall be published in the form approved by the Committee.
2. The Director of the FFU shall issue, when appropriate, a report on ML/TF and predicate offences trends, patterns and methods. The report shall be circulated to the competent and supervisory authorities, FIs and DNFBBPs through the supervisory authorities.

**Article (37)**  
**Information disclosure**

1. The members of the Committee and the FFU Director and employees shall not disclose or divulge any information they learned by virtue of their work in the Committee or the FFU even after the termination of their service.
2. Paragraph (1) of this Article shall apply to persons who were able to obtain any information, whether directly or indirectly, by virtue of their contact with the Committee or the FFU.

**Article (38)**  
**Creation of departments and sections**

The competent authority shall establish departments or sections to coordinate with the FFU to provide it with information on ML/TF suspicious transactions, in line with the mechanisms established by the Committee.

### **Article (39)**

#### **Prohibition of use of information**

It is prohibited to use any information obtained under this Decree Law, except for the purposes of combating ML/TF and associated predicate offences.

### **Article (40)**

#### **Requesting information**

1. All bodies, agencies, competent authorities, supervisory authorities, FIs, and DNFBPs in the State must provide the FFU with any information it requests to carry out its mandate under this Decree Law, provided that such information is provided immediately without delay and within the time frame specified by the FFU.
2. Entities that have to report in accordance with Article (25) of this Decree Law shall immediately and without delay provide or inform the FFU of any additional information related to its tasks under this Decree Law within the period specified by the FFU itself, including information on daily transaction reports provided for in Article (34) Paragraph (4) of this Decree Law.

### **Article (41)**

#### **Recommendation to the supervisory authority**

The FFU shall notify the supervisory authority of any FI or DNFBP not complying with this Decree Law, or any regulations or instructions issued thereunder.

### **Article (42)**

#### **FFU Disseminations**

1. If there are grounds to suspect that a transaction or activity is related to ML/TF or any predicate offence, the FFU shall undertake the following:
  - a. Disseminate the report to the Public Prosecutor to take the necessary measures.
  - b. Provide the Public Prosecutor, upon their request, with all the information it has relevant to the ML/TF or predicate offence investigation.
2. The FFU may, spontaneously or upon request, disseminate information on the proceeds suspected of including ML/TF or predicate offences as well as the

results of its analysis to the competent and supervisory authorities in line with their competence.

3. The FFU reports referred to in this article are considered official and evidence of their contents.

### **Article (43)**

#### **Saving reports**

The FFU shall save reports for which there are no reasonable grounds for suspicion of ML/TF or an associated predicate offence, or for which information collection and analysis did not result in such grounds, provided that the decision to save the report includes justifying reasons.

### **Article (44)**

#### **Transaction suspension**

The FFU director may order the suspension of a transaction suspected of involving ML/TF for (3) working days. The Public Prosecutor, based on the request of the Director of the FFU, has the power to extend the transaction suspension for no longer than (7) working days.

### **Article (45)**

#### **Powers of the Public Prosecutor**

1. Based on a decision from the Court of First Instance or the Court having jurisdiction over the case, the Public Prosecutor may:
  - a. Monitor bank and other similar accounts.
  - b. Intercept, record or transcribe communications.
  - c. Obtain financial records and data subject to the confidentiality provisions from FIs, and competent authorities may submit a request to the Public Prosecutor to obtain such records.
2. The Public Prosecution may, according to its investigations or at the request of the competent authorities conducting inquiries or investigations, request from any person, FI, DNFBP, or NPO through their supervisory authorities, to provide, without delay, records, documents or information they have. The person, FI, DNFBP, or NPO must provide such records, documents or information correctly and accurately as specified in the request, with the exception of the records



referred to in Paragraph (1) (c) of this Article. The Executive Regulation shall clarify the mechanism for executing such requests.

3. The Public Prosecution or any party it delegates may have access to electronic devices, computer systems and networks, in line with the national laws in force.

## **Article (46)**

### **Powers of law enforcement and investigative authorities**

1. The Public Prosecution shall conduct investigations in ML/TF or any associated predicate offences, and it may conduct a parallel financial investigation in cases of ML/TF or any associated predicate offences, by conducting a financial investigation alongside the regular investigation it is conducting in line with its terms of reference stipulated in the national laws in force and this Decree Law. It may seek the help of any competent authority when conducting financial investigations.
2. Judicial officers shall exercise their powers in combating ML/TF or predicate offences, collecting evidence and conducting parallel financial investigations in cases of ML/TF or any associated predicate offences, by collecting evidence and conducting financial investigations in parallel to the collection of evidence and regular investigations they are conducting in line with their terms of reference stipulated in the national laws in force and this Decree Law. They may seek the help of any competent authority when conducting financial investigations.
3. The necessary mechanism for the implementation of paragraphs (1, 2) of this Article shall be determined in instructions issued in this regard.
4. The Public Prosecutor may authorize the national judicial officers to collect evidence, if necessary, when conducting an inquiry or investigation into ML/TF, other terrorism crimes or a predicate offence wherever they occur, to prove that the crime was committed, and in particular to do the following:
  - a. Controlled delivery of funds.
  - b. Undercover operations.
5. The Public Prosecution and the supervisory authorities shall establish the necessary arrangements and mechanisms to ascertain, in a timely manner, whether the natural or legal person involved in the investigation owns or controls accounts at a financial institution.
6. The Public Prosecution shall maintain comprehensive statistics on investigations, prosecutions, and convictions related to ML/TF and any predicate offence, as

well as statistics on the funds seized or confiscated and provide the FFU with feedback thereon.

**Article (47)**  
**Provisional seizure**

1. Without prejudice to this Decree Law, and the rights of bona fide third parties, the Public Prosecutor may, based on a decision from the Court of First Instance, the competent court or the Court having jurisdiction over the case if it is referred, decide to impose provisional seizure for a period not exceeding (45) forty-five days, without prior notice. The provisional seizure decision is subject to appeal.
2. Provisional seizure shall be imposed on each of the following:
  - a. The proceeds of crime, including funds constituting income from or derived from such proceeds, or funds equivalent to the value thereof.
  - b. Instrumentalities used, intended to be used, or allocated to commit a crime.
  - c. Funds constituting proceeds of terrorism financing, terrorist acts or terrorist organizations, used or intended to be used or allocated for the financing of terrorism, terrorist acts or terrorist organizations.
  - d. Laundered funds.
3. Proceeds of the crime that have been exchanged or transferred, in part or in whole, with other funds in lieu of those proceeds, shall be subject to the provisions of this article.
4. Without prejudice to the powers of provisional seizure and freezing stipulated in other laws, if the proceeds of the crime are mixed with other funds acquired from legitimate sources, provisional seizure may be imposed on the estimated value of the mixed proceeds.
5. The Public Prosecution and the competent court, as the case may be, shall assign whoever they deem appropriate to manage the funds, proceeds, and instrumentalities that are seized, frozen, or subject to confiscation related to ML/TF or predicate offences in order to preserve their value, dispose of them or sell them in a public auction, even before a verdict is issued, if necessary, for example if there are concerns that they will perish or their value will decrease with time. The proceeds of that sale will be transferred to the State Treasury in the event of a conviction, taking into account the rights of bona fide third parties.

The Public Prosecution shall also assign whoever it deems appropriate to manage and dispose of funds related to international MLA requests for provisional seizure, freezing or confiscation.

6. The Public Prosecution, judicial officers, and the FFU shall immediately identify, track, trace, and estimate the funds that are or may be subject to confiscation in accordance with this Decree Law, or that are suspected of being proceeds of ML/TF or any predicate offence, to ensure they are identified without prior notice to their owner.
7. Any transfer, trading or disposal of funds subject to provisional seizure, which may affect their preservation for confiscation, shall be null and void, with the exception of the rights of bona fide third parties.

#### **Article (48)**

#### **Violation of the provisional seizure decision**

Any person who knowingly violates provisional seizure decisions issued pursuant to this Decree Law by any means to dispose of or trade in the funds subject to the seizure is considered to have committed a crime and shall be punished by imprisonment for a period of no less than (1) one month and no more than (6) six months, or a fine of no less than (5,000) five thousand Jordanian dinars and no more than (50,000) fifty thousand Jordanian dinars or its equivalent in the currency in legal circulation, or with both penalties, in the case of a natural person, and a fine of no less than (50,000) fifty thousand Jordanian dinars and no more than (100,000) one hundred thousand Jordanian dinars or its equivalent in the currency in legal circulation, in the case of a legal person.

#### **Article (49)**

#### **Exemption from liability**

FFU employees and everyone officially assigned to investigate, collect evidence, and track proceeds related to ML/TF or predicate offences shall be exempted from criminal, civil, or administrative liability, when they implement in good faith the provisions of this Decree Law.

### **Chapter 5**

### **Cross border declarations**

**Article (50)**  
**Declaration to Customs authorities**

1. Any person entering or leaving Palestine shall declare to Customs authorities what currencies, banknotes, metals, bearer negotiable instruments, and precious metals or stones they have in their possession when their value is equal to or exceeds the value set by the Committee in the instructions issued in this regard. Customs authorities may request additional information from the person about the source of the currency, bearer negotiable instruments, precious metals and stones, and the purpose of their use or transfer, and they must enter the declaration information in the database and provide it to the FFU.
2. The provisions of Paragraph (1) of this Article shall apply to the transfer of currencies, BNIs, and precious metals and stones into and out of Palestine through a person, postal service, freight service, or any other means.
3. Any person violating this Article shall be punished with a fine of no less than (15%) and no more than (25%) of the value of undeclared or falsely declared funds, and the penalty shall be doubled in the event of recidivism.

**Article (51)**  
**Customs Directorate**

1. The Customs Directorate may restrain or seize currencies, fiat or metal notes, bearer negotiable instruments, and precious metals or stones, partially or in full, for a period of (3) working days extendable by a decision from the Public Prosecutor for a period not exceeding (7) working days to see if evidence related to ML or TF can be found in the following cases:
  - a. If there is a suspicion of ML/TF or a predicate offence.
  - b. If the person does not declare in accordance with Article (50/1) of this Decree Law.
  - c. If the person provides a false declaration, in violation of Article (50/1) of this Decree Law.
2. In the event of a false declaration or failure to declare, the Customs Directorate shall request and obtain additional information from the person carrying the

currency, bearer negotiable instruments, precious metals or stones about their origin and the purpose of their use.

3. If there is suspicion of ML/TF or a predicate offence, the Customs Directorate shall inform the FFU immediately. The FFU shall analyze the information and submit a report to the Public Prosecutor, when appropriate, who may extend the seizure for an additional (45) days based on a request by the FFU.
4. The Customs Directorate shall keep all declaration information obtained under Articles (50) and (51) of this Decree Law, which will allow it to provide international cooperation in line with this Decree Law.
5. The FFU may access any information obtained upon submitting a cross-border declaration under Article (50) of this Decree Law and kept by the Customs Directorate for the purpose of combating ML/TF and predicate offences, including the information stipulated in paragraphs (1) and (2) of this Article.
6. In the event of a false declaration or a failure to declare in line with this Decree Law or the regulations or instructions issued thereunder, if the Customs Directorate has no grounds to suspect ML/TF or a predicate offence, the funds seized in accordance with this Article may be released by a decision from the Public Prosecutor upon on a request from the Customs Directorate.
7. The Customs Directorate may not decide to seize funds and assets in accordance with Paragraph (1) of this Article if the Public Prosecutor deems that such seizure will negatively affect investigations or trial.
8. The Customs Directorate shall carry out controlled delivery operations to combat smuggling.
9. The Customs Directorate may coordinate with all competent authorities and the FFU to implement Articles (50) and (51) of this Decree Law.

## **Chapter 6 Penalties**

### **Article (52) Penalty for money laundering**

Without prejudice to any harsher penalty provided for in the national penal laws or any other law in force, a person who commits the crime of money laundering stipulated in Article (5) of this Decree Law shall be punished by imprisonment for a period of no less than (3) three years and no more than (7) seven years, and a fine of no less than the value of the proceeds and no more than double that value.

### **Article (53)**

#### **Exemption from punishment**

Subject to the provisions of Article (55) of this Decree Law, the Court shall exempt any perpetrator who informed the FFU or any other competent authority of ML/TF before it becomes aware of it from the penalty prescribed in this Decree Law. If the person notifies the FFU or any other competent authority after it became aware of the crime, the notification should lead to apprehending the rest of the offenders or seizing the funds subject of the crime for the exemption to apply.

### **Article (54)**

#### **Penalty for legal persons**

1. Without prejudice to the responsibility of the natural person affiliated to it, a legal person shall be punished when they commit ML or TF by a fine of no less than (10,000) ten thousand Jordanian dinars and no more than (200,000) two hundred thousand Jordanian dinars, or its equivalent in the currency in legal circulation.
2. The person responsible for the actual management of the violating legal person, or any member of the Board of Directors or manager, shall be punished with the penalty prescribed in Articles (52) and (57) of this Decree Law, if it is found that they were aware of it, or if the crime occurred as a result of a willful breach of their work duties.
3. The legal person shall be jointly liable for paying the fines and compensations adjudicated if the crime violating this Decree Law was committed by one of the persons working under their name and for their benefit.

### **Article (55)**

#### **Confiscation of funds**

1. In addition to Articles (52) and (54) of the present Decree Law, the following shall be subject to confiscation in rem, whether they were in the possession of the accused or third parties:

- a. Funds constituting proceeds of crime, including funds mixed with, derived from, or exchanged with such proceeds.
  - b. Funds constituting income or other benefits obtained or derived from such funds or the proceeds of crime.
  - c. Instrumentalities used, intended to be used or intended for a crime.
  - d. Funds constituting proceeds of terrorism financing, terrorist acts or terrorist organizations, used or intended to be used or allocated for the financing of terrorism, terrorist acts or terrorist organizations.
  - e. Laundered funds.
  - f. Funds whose value is equivalent to those proceeds.
2. If the proceeds of the crime are transferred or exchanged, in part or in whole, with other funds, these funds shall be subject to confiscation instead of the proceeds. And if the proceeds of the crime are mixed with other funds generated from legitimate sources, the estimated value of the proceeds mixed with these funds may be confiscated without prejudice to any freezing or seizure powers.
  3. Any transfer, trading or disposal of funds subject to provisional seizure, which may affect their preservation for confiscation, shall be null and void, except for the rights of bona fide third parties.
  4. Unless otherwise stipulated in this Decree Law, the State owns the confiscated funds, and the laws in force shall apply thereto.

#### **Article (56)**

##### **Bona fide third parties**

Subject to Article (55) of this Decree Law, the court may exclude the interests of bona fide third parties from confiscation, if the funds are transferred to a party that the court deems to be the owner of such funds and obtained them by paying a fair price, in exchange for services of an equal value or by any other legitimate means, while they were not aware of their illegal source.

#### **Article (57)**

##### **Penalty for terrorism financing**

1. Without prejudice to any harsher penalty stipulated in any other law, a person that commits or attempts to commit the terrorism financing offence set out in Article

- (6) of this Decree Law shall be punished by imprisonment for no less than (3) years and no more than (15) years, and a fine of no less than (50,000) fifty thousand Jordanian dinars and no more than (100,000) one hundred thousand Jordanian dinars, or the equivalent thereof in the currency in legal circulation. All the instrumentalities used or intended to be used in the crime shall be confiscated.
2. The same penalty prescribed for the original perpetrator shall apply to the partner, accomplice and instigator.

### **Article (58)**

#### **Administrative penalties**

1. Without prejudice to any specific measures stipulated in any other law, when identifying a violation by a financial institution, DNFBP, or NPO of this Decree Law or any regulations or instructions issued pursuant thereto, or following a referral by the FFU or competent authorities, the supervisory authority shall take the following procedures or measures and impose one penalty or more of those stipulated in this Article at its own discretion:
  - a. Warning to comply with specific instructions.
  - b. Periodic reporting by FIs, DNFBPs and NPOs on the measures they implement or how they comply with the instructions given in the warning.
  - c. Written warnings.
  - d. A fine of no less than (1,000) one thousand Jordanian dinars and no more than (300,000) three hundred thousand Jordanian dinars, or the equivalent thereof in the currency in legal circulation, for each violation.
  - e. Preventing the violating party from working in the sectors supervised and controlled by the supervisory authorities, for a period to be determined by the supervisory authority itself.
  - f. Replacing or restricting the powers of directors, managers or controlling owners, including the appointment of a special manager.
  - g. Imposing a conservatorship or suspension or withdrawal of the license or the profession.
  - h. License revocation.
2. For public information purposes, information about actions taken under Paragraph (1) of this Article may be published.



3. Taking any action or imposing any penalty stipulated in this Article shall not preclude civil and penal accountability under this Decree Law or any other legislation.
4. The supervisory authority shall keep records and statistics on administrative penalties and the measures it imposes under this Article and provide them to the FFU upon request or periodically.

### **Article (59)**

#### **Criminal penalties for non-compliance**

A person who deliberately violates Articles (7), (9), (10), (11), (12), (13), (14), (15), (16), (17), (19), (20), (21), (23), (25), (26), (39), (40), (45/2) of this Decree Law shall be subject to imprisonment for a period of no less than (3) three months and no more than (2) two years, a fine of no less than (5,000) five thousand Jordanian dinars and no more than (50,000) fifty thousand Jordanian dinars, or the equivalent thereof in the currency in legal circulation, or both penalties.

## **Chapter 7**

### **International Cooperation**

#### **Article (60)**

##### **General provisions for mutual legal assistance**

Based on bilateral or multilateral agreements to which the State is party or based on the principle of reciprocity, the State shall cooperate with foreign jurisdictions to provide mutual legal assistance related to AML/CFT and predicate offences. The highest level of cooperation should be provided as quickly as possible to foreign counterparts. The State may also request mutual legal assistance from its foreign counterparts, with regard to investigations, criminal procedures, prosecution cases, and related procedures. Mutual legal assistance includes confiscation and provisional seizure as defined in this Decree Law, the identification of funds, proceeds, or instrumentalities to seize, freeze, or confiscate, including funds of an equivalent value to the proceeds.

**Article (61)**  
**Dual criminality**

Dual criminality is a prerequisite for submitting MLA requests requiring coercive measures. This condition does not apply when receiving an MLA request not requiring coercive measures.

**Article (62)**  
**General provisions for the extradition of criminals**

1. Based on bilateral or multilateral agreements to which the State is party or based on the principle of reciprocity, the State shall cooperate with foreign jurisdictions to implement extradition requests related to ML, TF and predicate offences, taking into account the following:
  - a. Implementing the request promptly and without undue delay.
  - b. Implementing the request without unreasonable or unduly restrictive conditions.
2. The Public Prosecution may adopt simplified mechanisms for the direct extradition of criminals, such as allowing the extradition of persons only on the basis of precautionary detention warrants, or judgments issued, or preparing simplified procedures for the extradition of criminals who waive the official extradition procedures. The Public Prosecution may agree to extradite criminals after receiving a request for temporary detention, provided that the person whose extradition is requested has expressly agreed to this before a competent authority or has waived their right to challenge the extradition.

**Article (63)**  
**Requests for legal assistance and extradition**

The following procedures shall be taken into account when implementing or requesting mutual legal assistance:

1. The Ministry of Justice, through the Ministry of Foreign Affairs and Expatriates, shall be responsible for sending MLA and extradition requests related to ML, TF,

predicate offences, and extradition and receiving requests sent by the competent foreign authorities. It shall implement and refer such requests to the Public Prosecution and judicial authorities for implementation.

2. The Ministry of Justice and the Ministry of Foreign Affairs and Expatriates shall ensure a fast and safe implementation or referral of the requests received. The Public Prosecution shall ensure the fast and safe implementation of the requests referred to it.
3. In urgent cases, such requests may be sent through the International Criminal Police Organization (INTERPOL) or directly by the foreign authorities to the Palestinian judicial authorities. In such cases, the receiving authorities shall notify the Ministry of Justice and the Ministry of Foreign Affairs and Expatriates.
4. Requests and responses must be in writing or by any means that guarantees a written record to document their credibility, taking into account the requirements of information protection and confidentiality.
5. The official language of communication for sending and receiving MLA requests and their attachments is Arabic or English.
6. Procedures for processing and efficiently, effectively and quickly responding to MLA and extradition requests shall be developed, including a mechanism for prioritizing requests and ensuring their timely implementation, as well as case management procedures to follow up on progress in fulfilling requests.

#### **Article (64)**

##### **Prohibition and restrictive measures for MLA requests**

1. The MLA provided for in this Decree Law shall be provided without unreasonable or unduly restrictive conditions.
2. No MLA request may be refused for any of the following reasons:
  - a. On the sole grounds that the offence includes tax related matters.
  - b. By invoking confidentiality and privacy provisions and requirements imposed on FIs or DNFBPs, with the exception of cases in which information relevant to the request has been obtained where legal professional privileges or legal professional secrecy apply in accordance with the national legislation in force.

#### **Article (65)**

### **Rejecting MLA requests**

An MLA request shall be rejected in the following cases:

1. If it is not sent by a competent authority in accordance with the laws of the requesting jurisdiction, or if it is not sent in line with the applicable laws.
2. If there is a possibility that its implementation will affect the laws in force, sovereignty, public security or other main interests of the State.
3. If the crime subject of the request is related to criminal proceedings or if a final judgment has been issued in its regard in the State.
4. If there are reasonable grounds to believe that the measure or order requested is directed against the person concerned only because of their race, religion, nationality, ethnicity, political opinion or gender.
5. If it was impossible to order or implement the required measures due to the statute of limitations applicable to ML, TF or any predicate offence under the laws in force in the State or the laws of the requesting jurisdiction.

### **Article (66)**

#### **Confidentiality and protection of requests**

The Ministry of Justice, the Ministry of Foreign Affairs and Expatriates, the Public Prosecution and the judicial authorities shall maintain and protect the confidentiality of MLA and extradition requests and the information therein, in accordance with the laws in force, in order to ensure the integrity of investigations and restrict access to relevant data and information to legally authorized persons.

### **Article (67)**

#### **Forms of mutual legal assistance**

1. At the request of a foreign jurisdiction, MLA requests on ML, TF or any predicate offence shall be executed in line with this Chapter.
2. In line with the laws in force in the State, and based on bilateral or multilateral agreements to which the State is party, judicial authorities may implement the final rulings by the competent foreign judicial authorities that require the confiscation of ML and TF instrumentalities and proceeds. The confiscated funds

shall be distributed pursuant to this Decree Law and the bilateral agreements signed by the State.

3. MLA requests may include taking coercive measures that do not contradict the national laws in force, for the following purposes:
  - a. Providing original or certified copies of relevant documents or records, including government, banking, financial, commercial or company records.
  - b. Searching persons, buildings and sites.
  - c. Collecting witness statements.
  - d. Obtain and seize evidence and activate the judicial documents service.
  - e. Carry out searches, seizures and freezing.
  - f. Provide information, evidence, and expert opinions and assessments.
  - g. Locate or trace proceeds, funds, instrumentalities or others, without prior notice to the owner.
  - h. Facilitate the voluntary appearance of persons in the requesting jurisdiction.
  - i. Timely determine whether natural or legal persons own or control any accounts.
  - j. Any other forms of MLA that do not contradict the national laws in force.
4. When executing MLA requests, the competent authorities may use all their powers in accordance with the laws to which they are subject, including:
  - a. Undercover operations and financial investigations.
  - b. Intercepting communications.
  - c. Accessing computer systems.
  - d. Controlled delivery.
5. In cases where the perpetrator is unavailable by reason of death, flight or absence, or if the perpetrator is unknown, the State shall implement the relevant procedures of confiscation, provisional seizure, or freezing required in the MLA request from a foreign jurisdiction in accordance with the legislation in force.

### **Article (68)**

#### **Content of MLA and extradition requests**

1. MLA and extradition requests must include as much information as possible to facilitate their execution, including the following:

- a. The legal basis for submitting the request.
  - b. Basic information about the person.
  - c. The name of the authority requesting the measures to be taken.
  - d. The name and function of the authority entrusted with the investigation, prosecution or judicial proceedings related to the request, the channels of communication with all persons capable of answering inquiries related to the request, and a description of the criminal incident and its circumstances as well as the circumstances of the case.
  - e. The requested authority.
  - f. The purpose of the request and any relevant contextual notes.
  - g. Facts supporting the request.
  - h. Any known details that may facilitate the identification of the persons concerned, particularly the name, marital status, nationality, address, location and occupation of persons.
  - i. Any information necessary to identify and trace the persons, instrumentalities, funds or other assets involved.
  - j. The text of the legal provision criminalizing the act or, where necessary, a statement of the law applicable to the offence and the penalty that may be imposed.
  - k. A description of the assistance requested and details of any specific measures that the requesting State would like to be taken, including whether the type of assistance requested is of a coercive nature and requires a court order by the requesting State. If it requires a court order, a copy of the ruling should be provided to the competent Palestinian authorities.
  - l. The time period for the request to be executed, if necessary.
  - m. A written undertaking by the requesting jurisdiction to maintain the confidentiality of all information or evidence submitted upon the execution of the request, and that the information and evidence sent will not be used for purposes other than those mentioned in the request, unless the prior approval of the Ministry of Justice is obtained.
2. In addition, requests shall include the following details in some specific cases:
- a. If provisional measures are requested, a description thereof, including as much information as possible.
  - b. If a confiscation order is requested, a statement of relevant facts and arguments to allow the judicial authorities to issue a confiscation order under local law.

- c. If enforcement orders for provisional measures or confiscation are requested, the following shall be provided:
  - 1) A certified copy of the ruling, and a statement of the reasons for issuing the order if they are not already mentioned in it.
  - 2) A document proving that the order is enforceable and is not subject to the usual means of appeal.
  - 3) An indication of the extent to which the order is enforceable and, where applicable, the amount requested for recovery in the item or items on funds.
  - 4) Where necessary and if possible, any information on the rights of third parties to claim instrumentalities, proceeds, funds or other things under consideration.
  - 5) An accurate description of the funds to be confiscated.
  - 6) A description of the address or site to be inspected.
  - 7) Information and identity of the person required to testify.
3. In the case of extradition requests, if the person has been convicted of a crime, the name, description, nationality and place of residence of the person whose extradition is requested shall be provided, with the original or a certified copy of the ruling or any other document showing the conviction and the penalty imposed, a copy of the investigation reports and the arrest warrant, a copy of the applicable legal text on which the incrimination was based, if the penalty is enforceable and the remaining period of the penalty.

#### **Article (69)**

##### **Additional information**

The Ministry of Justice or the Public Prosecution responsible for processing the MLA or extradition request may request additional information from the competent foreign authorities, if necessary, to execute or facilitate the implementation of the request, through the Ministry of Foreign Affairs and Expatriates, taking into account the urgent cases referred to in Article (63) Paragraph (3) of this Decree Law.

#### **Article (70)**

##### **Division and disposal of the confiscated funds**

1. The State of Palestine may share the confiscated funds with other foreign jurisdictions when the confiscation is a direct or indirect result of the coordination of law enforcement procedures with the foreign jurisdiction, based on an agreement with the jurisdiction.
2. At the request of foreign authorities, the State of Palestine may dispose of the confiscated funds, unless otherwise stipulated in an agreement concluded with the requesting jurisdiction, without prejudice to the return of the funds to their legitimate and bona fide owner.

**Article (71)**  
**Extradition rejection**

1. Criminals may not be extradited in the following cases:
  - a. If the person whose extradition is requested is Palestinian.
  - b. If the requirement of dual criminality is not met.
  - c. If the crime's penalty in the two jurisdictions is less than one year.
  - d. If there are serious reasons to believe that the extradition request has been submitted for the purpose of prosecuting or punishing a person because of their gender, race, religion, nationality, ethnicity, political beliefs or opinions, or if the execution of the request would prejudice the status of the said person for any of these reasons.
  - e. If a final court ruling is issued in the State of Palestine on the crime for which extradition is requested.
  - f. If according to the law of either jurisdiction, the person whose extradition is requested enjoys immunity from prosecution or punishment for any reason, including the statute of limitations or amnesty.
  - g. If there are reasonable grounds indicating that the person whose extradition is sought has been or will be subjected to torture or other cruel, inhumane or degrading treatment, or if that person has not received or will not receive the minimum guarantees in criminal proceedings as set out in Article 14 of the International Covenant on Civil and Political Rights.
  - h. If the person whose extradition is requested has six months or less left of their sentence.



2. Extradition may be refused in the following cases:
  - a. If the courts in Palestine are considering a case filed against the person for the offence for which extradition is requested.
  - b. If the offence for which extradition is requested was committed outside the territory of either jurisdiction, and the legislation of the State of Palestine does not provide for jurisdiction over offences committed outside its territory in similar circumstances.
  - c. If the person whose extradition is requested has been convicted on account of the behavior leading to the request or is likely to be tried or sentenced in the requesting jurisdiction before an exceptional, ad hoc, irregular or fundamentally unfair court or tribunal.
  - d. If the State of Palestine considers that because of the circumstances of the case, the extradition of the person concerned would be inconsistent with humanitarian considerations in view of that person's age, health, or other personal circumstances, taking into account the nature of the offence and the interests of the requesting jurisdiction.
  - e. If extradition is required pursuant to a final court judgment rendered in the absence of the person who, for reasons beyond their control, was not notified of the trial in a timely manner or was not given an adequate opportunity to take any measures for self-defense and did not or will not have the opportunity for a retrial in their presence.
  - f. If the State of Palestine has established its jurisdiction over the offence.
  - g. If the person to be extradited would be subject to the death penalty for the offence they are accused of committing in the requesting jurisdiction, unless that jurisdiction provides sufficient guarantees that the death penalty will not be carried out.
3. If the extradition is rejected for the reasons mentioned in this article, the case shall be referred to the competent judicial authorities, based on a request from the jurisdiction requesting the extradition, to prosecute the criminals for the crimes indicated in the request without undue delay.

## **Article (72)**

### **Costs**

The jurisdiction requesting MLA or extradition shall bear the costs incurred to execute the requests provided for in this Decree Law, unless both jurisdictions agree otherwise.

## **Chapter 8**

### **International exchange of information**

## **Article (73)**

### **General provisions**

1. Based on bilateral or multilateral agreements, memoranda of understanding or the principle of reciprocity, the national competent and supervisory authorities and the FFU shall cooperate with foreign counterparts to provide the greatest possible international cooperation in exchanging information quickly, spontaneously or upon request, on ML, TF and predicate offences.
2. The exchange of information between the supervisory authorities and their foreign counterparts must be in accordance with the applicable international standards on supervision, particularly on the exchange of supervisory information relevant or related to AML/CFT.

## **Article (74)**

### **Executing information exchange requests**

1. When competent or supervisory authorities or the FFU are implementing requests to exchange information with foreign counterparts, the following shall be taken into account:
  - a. Using the most effective means of cooperation.
  - b. Using clear and secure ways, mechanisms or channels that facilitate and allow the transfer and implementation of requests.
  - c. Having clear processes to prioritize and implement requests timely.
  - d. Protecting the information received.

2. Competent and supervisory authorities and the FFU shall adopt the necessary procedures to implement Paragraph (1) of this Article, each within their own purview.

### **Article (75)**

#### **Agreements or memoranda of understanding**

Competent and supervisory authorities and the FFU shall undertake the following, when they need to sign bilateral or multilateral agreements or memoranda of understanding with foreign counterparts:

1. Negotiate such agreements or memoranda with the relevant parties.
2. Sign such agreements or memoranda in a timely manner.
3. Seek to sign with the widest possible range of foreign counterparts.
4. Ensure that these agreements are not in contradiction with the national laws in force.

### **Article (76)**

#### **Feedback**

Upon cooperating with their counterparts, the competent and supervisory authorities and the FFU shall make every effort to provide timely feedback to the foreign counterparts, on the use and usefulness of the information obtained under those requests, and the results of the analysis conducted by the FFU based on the information provided, upon request, and whenever possible.

### **Article (77)**

#### **Bans and restrictive measures**

The competent and supervisory authorities and the FFU shall cooperate with foreign counterparts to exchange information and provide assistance, without subjecting them to unreasonable or undue restrictive conditions, and shall not refuse to cooperate for any of the following reasons:

1. Considering that the request includes tax matters.
2. Invoking confidentiality and privacy requirements imposed on FIs or DNFBPs (except in cases where the relevant information requested is held in circumstances

where legal professional privilege or legal professional secrecy apply) in accordance with the national legislation in force.

3. The existence of an ongoing investigation, inquiry or procedure in the State, unless assistance would hinder such investigation, inquiry or follow-up.
4. Saying that the nature or status of the foreign counterpart requesting cooperation and exchange of information is different than that of the competent or supervisory authority or the FFU required to cooperate and exchange information in the State.

### **Article (78)**

#### **Cases of refusal of cooperation**

The competent and supervisory authorities and the FFU may, as appropriate, refuse to cooperate and provide information while justifying the reasons for their decision, in any of the following cases:

1. If the foreign counterpart cannot effectively protect the information.
2. Non-compliance of the foreign counterpart with the principle of reciprocity.
3. Repeated cases showing insufficient cooperation by foreign counterparts in exchanging information.

### **Article (79)**

#### **Use and protection of shared information**

When executing the requests to exchange information with their foreign counterparts, the competent or supervisory authorities or the FFU shall observe the following:

1. Use the information exchanged only for the purposes for which it was requested or provided.
2. Refrain from publishing or disseminating the information to other external authorities or parties, or using it for administrative, investigation, prosecution, judicial, or supervisory or non-supervisory purposes, except after obtaining prior permission from the foreign counterpart from which information is requested, except when the supervisory authority is subject to a legal obligation to disclose or communicate information provided by the counterpart authority, in which case the supervisory authority shall inform the counterpart authority from which information is requested of this obligation immediately.

3. Ensure the appropriate confidentiality of any request for cooperation or exchange of information, in accordance with the provisions of privacy and data protection in force in the State of Palestine, and protect the information exchanged at least in the same way similar information received from local sources are protected.
4. Develop controls and guarantees to ensure that the information exchanged between the competent and supervisory authorities and the FFU with foreign counterparts is only used in the permitted manner, safely and through reliable channels or mechanisms.

### **Article (80)**

#### **Obligations of the authorities requesting cooperation**

When submitting requests for cooperation and exchange of information to their foreign counterparts, competent and supervisory authorities and the FFU shall make every effort to provide the following:

1. Complete and factual information supporting the request and, where applicable, legal information, an explanation of the urgency of the matter, to allow the requests to be executed by foreign counterparts in a timely and efficient manner, and the expected use of the requested information.
2. In addition to the information stipulated in Paragraph (1) of this Article, when the FFU requests information, it must provide a description of the case that is being analyzed and its possible relation to the jurisdiction of the counterpart FIU receiving the request.

### **Article (81)**

#### **Information allowed for exchange between supervisory authorities**

1. The supervisory authority shall exchange the following information with foreign counterparts and supervisors who are jointly responsible for FIs operating in the same group, including:
  - a. Regulatory information, such as information about the local regulatory framework and general information about financial sectors.
  - b. Prudential information, in particular information on the activities and business of FIs, beneficial ownership, management, fit and proper criteria.

- c. Information on AML/CFT, including internal AML/CFT procedures and policies of FIs, CDD information, customer profiling, and samples of information on accounts and operations.
2. The supervisory authority shall exchange information available to it locally with foreign counterparts, including information held by FIs, according to the needs of those counterparts.

## **Article (82)**

### **Exchange of information between LEAs**

Based on bilateral or multilateral agreements to which the State is party or based on the principle of reciprocity, the Public Prosecution and judicial officers may exchange information that they can access or obtain locally with foreign counterparts, for the purposes of ML/TF or predicate offence investigations or inquiries, including identifying and tracing criminal proceeds and instrumentalities, and information and data on cross-border currency declarations.

## **Article (83)**

### **Beneficial owner information**

1. In addition to the information mentioned in Articles (81, 82) of this Decree Law, the competent and supervisory authorities and the FFU may exchange the following information with foreign counterparts, whether they are kept in the company's records or registry, the records of NPOs or FIs or any other party, as long as banking secrecy is respected:
  - a. All basic and BO information about legal persons, including information about shareholders.
  - b. All basic and BO information about trusts and other legal arrangements, and any other information available.
2. Competent and supervisory authorities and the FFU must follow up on the quality of the request received from a counterpart for BO or basic information on legal persons or requests to locate BOs residing abroad.

## **Article (84)**

### **Conducting inquiries on behalf of foreign counterparts**

1. Competent and supervisory authorities and the FFU may conduct inquiries on behalf of foreign counterparts, and exchange with them all the information that can be obtained in the event that such inquiries are conducted locally, in a manner that does not contradict national legislations in force.
2. The supervisory authority may, when appropriate, facilitate or authorize the foreign counterpart to conduct inquiries on its own in the State, in order to facilitate effective group-level supervision.
3. The Public Prosecution and judicial officers may use their powers under the national laws in force, including the investigation methods available to them, to conduct inquiries and obtain information on behalf of the foreign counterpart.
4. Regulations or practices applicable in bilateral or multilateral agreements or arrangements govern any restrictions imposed by the Public Prosecution or judicial authorities on the use of the information requested in line with Paragraph (3) of this Article.

## **Article (85)**

### **Joint international investigations**

The Public Prosecution and judicial officers may form joint investigation teams with foreign counterparts to cooperate in their investigations on AML/CFT and predicate offences, and may, when necessary, establish bilateral or multilateral arrangements to carry out such joint investigations, including by joining AML/CFT Law Enforcement Networks.

## **Article (86)**

### **Diagonal cooperation**

1. Competent and supervisory authorities and the FFU may exchange information indirectly with non-counterpart foreign entities, in accordance with this Decree Law, with an explanation of the purpose of the information request and the name of the main requesting entity on whose behalf the request was submitted.

2. Pursuant to Paragraph (1) of this Article, the indirect exchange of information is when the information requested is sent by the party from which it was requested through one local or foreign authority or more before it is received by the main party requesting it.
3. All information referred to in Chapters 7 and 8 of this Decree Law shall fall within the scope of information exchange defined in this Article, including information on VAs and VASPs.

### **Article (87)**

#### **Keeping statistics on international cooperation**

All competent and supervisory authorities and the FFU shall keep comprehensive statistics that prove the effectiveness and efficiency of the AML/CFT system regarding international cooperation requests stipulated in this chapter as well as the authority submitting and receiving the request, including MLA and extradition requests, requests for exchange of information, funds and assets frozen, seized and confiscated based on such requests.

## **Chapter 9**

### **Transnational crimes**

#### **Article (88)**

##### **Organized crime**

In the case of an organized crime group consisting of three or more persons acting together to commit one or more crime and obtain, directly or indirectly, a financial or material benefit, a temporary hard labor penalty of no less than (3) three years and no more than (15) fifteen years shall be imposed on each of the perpetrators, provided this penalty is no less than (7) seven years if the purpose of the criminals is to assault the life of others.

#### **Article (89)**

##### **Piracy**

An act of piracy is any unlawful act of violence or detention, or any act of theft committed for private ends by the crew or passengers of a private ship or aircraft



against another ship or aircraft or against persons or property on its board, whether in the high seas or beyond any national jurisdiction.

### **Article (90)**

#### **Penalty for piracy**

Without prejudice to any harsher penalty, acts of piracy mentioned in Article (89) of this Decree Law shall be punishable as follows:

1. A penalty of temporary hard labor for a period not exceeding (15) fifteen years shall be imposed on any person who commits any act of piracy, including assaulting a ship or aircraft with the intent of seizing it, or the goods it carries, in part or in full, harming any person on board or diverting its route. If that act results in the death of a person, the penalty imposed shall be hard labor for life.
2. A penalty of temporary hard labor for a period not exceeding (10) ten years shall be imposed on any person who intentionally endangers, in any way, the safety of air or sea navigation or the safety of a ship or aircraft.
3. A penalty of imprisonment for a period not exceeding (3) three years and a fine not exceeding (2000) two thousand Jordanian dinars or its equivalent in the currency in legal circulation, or one of these two penalties, shall be imposed on any offender who, on their own accords, returns the ship or plane after seizing it to its legal captain or owner as long as their act did not harm it or the goods it carries, or harm any person on board.

### **Article (91)**

#### **Human trafficking**

1. Any person who commits any of the following acts shall be deemed to have committed human trafficking:
  - a. Selling, offering to sell or buy or promising to sell a natural person in any way.
  - b. Recruiting, enrolling, enlisting, transporting, transferring, harboring, handing over or receiving persons, whether within the State or across its national borders, through the use or threat of use of force or violence, kidnapping, fraud, deception, abuse of power or exploitation of a position of vulnerability or the need of these persons, or by obtaining the consent of a person who has control over another person by giving or receiving or promising sums of money or

benefits in return for their consent to traffic in the person over whom they have control for the purpose of exploitation in whatever form.

- c. Exploitation, including the exploitation of victims of human trafficking in prostitution or other forms of sexual exploitation, forced labor or service, enslavement, servitude or practices similar to slavery, organized begging, the removal and sale of human organs or tissues or part thereof, or the promise thereof, or conducting research and scientific experiments or any other form of exploitation on them.
2. The victim's consent to exploitation in human trafficking crimes shall not be taken into account when any method set forth in Paragraph (1) of this Article is used.
3. The use of any of these methods is not required when considering the trafficking of children, incapacitated persons or persons with disabilities, and in all cases their consent or the consent of the person in charge or guardian thereof shall not be taken into account.
4. It is assumed that the perpetrator knows the real age of the person against whom the crime is committed.

## **Article (92)**

### **The scope of human trafficking**

Article (91) of this Decree Law shall apply to any person who commits any of the human trafficking crimes stipulated in that article outside the jurisdiction, if the act is punishable in the jurisdiction in which it occurred under any legal description, in any of the following cases:

1. If the crime was committed on board of any means of air, land or water transportation registered in the State of Palestine or carrying its flag at the time of its commission.
2. If any victim holds the Palestinian nationality.
3. If the crime was prepared, planned, directed, supervised or funded within the State of Palestine.
4. If the crime was committed by an organized criminal group that operates in more than one country, including the State of Palestine.

5. If the perpetrator of the crime is found in the jurisdiction after its commission and has not been extradited, despite a request from another jurisdiction to extradite them so they undergo a trial for the same crime.

### **Article (93)**

#### **Penalties for human trafficking**

1. Any person who commits any of the aforementioned human trafficking crimes shall be punished by temporary hard labor for a period of no less than (5) five years and not more than (15) fifteen years, and a fine of no less than (5000) five thousand Jordanian dinars and not more than (10,000) ten thousand Jordanian dinars.
2. Any person who commits human trafficking shall be punished by temporary hard labor for a period of no less than (10) ten years, and a fine of no less than (10,000) ten thousand Jordanian dinars and no more than (30,000) thirty thousand Jordanian dinars, or its equivalent in the currency in legal circulation, if any of the following aggravating circumstances are met:
  - a. If the victim is a woman, a child, an incapacitated person, or a person with disability.
  - b. If the perpetrator has established, organized, managed, joined or participated in an organized crime group for human trafficking.
  - c. If the perpetrator has previously been convicted of a crime (recidivism).
  - d. If the crime transcends national borders.
  - e. If the crime results in a permanent disability or an incurable disease.
  - f. If the perpetrator of the crime is a public servant or assigned to a public service and commits their crime by exploiting that position or public service.
  - g. If the perpetrator of the crime is the victim's spouse, parent or child, or someone who has guardianship, mandate or authority over them.
  - h. If the act was committed under the threat of killing, seriously harm, or physical or psychological torture, by means of a weapon, or by using drugs or psychotropic substances.
  - i. If the crime involves more than one victim.

3. Any person who commits any human trafficking crime that results in death shall be punished by life imprisonment with hard labor.
4. In all cases, all funds, luggage, means of transportation, or instrumentalities obtained from any of the crimes stipulated in this article or used in its commission shall be confiscated, without prejudice to the rights of bona fide third parties.

#### **Article (94)**

##### **Migrant smuggling**

Migrant smuggling is the act of arranging the illegal movement across national borders of one person or more in order to obtain, directly or indirectly, a financial or any other benefit.

#### **Article (95)**

##### **Penalties for migrant smuggling**

1. The smuggling of migrants shall be punished by temporary detention for a period not exceeding (5) five years and a fine of no less than (10,000) ten thousand Jordanian dinars and no more than (40,000) forty thousand Jordanian dinars or its equivalent in the currency in legal circulation. If there was a minor among the persons smuggled, if the lives or safety of the migrants were endangered or if they were treated badly and inhumanely, smuggling shall be punished by temporary detention for a period of no less than (3) three years and no more than (15) fifteen years and a fine of no less than (30,000) thirty thousand Jordanian dinars or its equivalent in the currency in legal circulation.
2. Any person who commits the act of migrant smuggling stipulated in Paragraph (1) of this Article shall be punished by temporary detention for a period of no less than (5) five years and a fine of no less than (20,000) twenty thousand Jordanian dinars and no more than (50,000) fifty thousand Jordanian dinars, if any of the following aggravating circumstances are met:
  - a. If a child is among the persons smuggled.
  - b. If the life or safety of smuggled migrants is endangered.
  - c. If the migrants smuggled undergo inhumane or degrading treatment.
  - d. If the function of the perpetrator facilitated the commission of the crime.
  - e. If the crime was committed by more than one person.
  - f. If the crime was committed while carrying a weapon or threatening to use it.

- g. If the crime was committed by an organized or transnational crime group.
3. The penalty shall be hard labor for life if the act stipulated in Article (94) of this Decree Law leads to the death of a person.

## **Chapter 10**

### **Final provisions**

#### **Article (96)**

#### **Confidentiality provisions**

In implementation of this Decree Law, the provisions of confidentiality imposed by national laws, regulations, and instructions in force, including banking and financial secrecy, shall not prevent the implementation of this Decree Law or any regulations or instructions issued pursuant thereto, and shall not be invoked to refrain from disclosing or providing any information related to AML/CFT or predicate offences, except for Paragraph (5) of Article (25) of this Decree Law.

#### **Article (97)**

#### **Provisions of international law**

1. The implementation of this Decree Law shall not run counter to the Palestinian people's exercise of their rights guaranteed by international law and resolutions of international legitimacy, including their inalienable rights to self-determination and national independence.
2. The implementation of this Decree Law shall not run counter to the Charter of the United Nations, the International Law and International Humanitarian Law, including the four Geneva Conventions and their additional protocols, which are applicable to the occupied Palestinian territory.

#### **Article (98)**

#### **Implementation of UN Security Council resolutions**

1. Pursuant to this Decree Law, a “Committee for the Implementation of UN Security Council Resolutions” shall be established, provided that it is formed by a presidential decree issued by the Head of State.

2. Without prejudice to the power of the supervisory authority to monitor the compliance of FIs and DNFBPs with the measures prescribed by the Presidential Decree issued in accordance with Paragraph (3) of this Article, the Committee for the Implementation of UN Security Council Resolutions shall follow up on the immediate implementation of UN Security Council resolutions on combating terrorism and TF, and on preventing, suppressing and disrupting the proliferation or financing of weapons of mass destruction, adopted under Chapter VII of the UN Charter.
3. The relevant powers and competences of the Committee for the Implementation of UN Security Council resolutions shall be regulated by a Presidential Decree issued for this purpose.
4. All persons or entities and all parties shall immediately and without delay implement the measures prescribed by the relevant UN Security Council resolutions, and any instructions, measures or decisions issued pursuant to the Decree referred to in Paragraph (3) of this Article.
5. Any person or entity that intentionally violates Paragraph (4) of this Article shall be punished by imprisonment for a period of no less than (3) three months and no more than (3) three years. The court may impose a fine not exceeding the total value of the funds in circulation in violation of Paragraph (4) of this Article. A legal person shall be punished with a fine that does not exceed the total value of the funds in circulation in violation of the provisions of Paragraph (4) of this Article.
6. Any person who participates, incites, or is complicit in the crime stipulated in Paragraph (5) of this Article shall be punished with the same penalty imposed on the original perpetrator.

### **Article (99)**

#### **Issuance of regulations**

The Council of Ministers shall issue the necessary rules or regulations to implement this Decree Law, based on the recommendation of the Committee.

### **Article (100)**

#### **Repeal**

1. Decree-Law No. (20) of 2015 on AML/CFT and its amendments shall be repealed.

2. Without prejudice to this Decree Law, the rules and regulations, instructions and decrees issued pursuant to Law No. (20) of 2015 and its amendments shall remain in force until new rules, regulations, instructions and decrees are issued pursuant to this Decree Law.
3. Any texts that contradict this Decree Law shall be repealed.

### **Article (101)**

#### **Validity and entry into force**

All competent authorities, each within its own purview, shall implement this Decree Law. It shall come into effect on the date of its issuance and shall be published in the Official Gazette.

**Issued in Ramallah on: 07/08/2022 AD**

**Corresponding to: 09/Muharram/1444 AH**

**Mahmoud Abbas**

**President of the State of Palestine**

**Chairman of the Executive Committee of the Palestine Liberation  
Organization**