

## **Instructions No. (3) of 2016**

### **On Anti-Money Laundering/Counter-Terrorism Financing Measures for the Importing of Used Car from outside Palestine**

#### **The National Committee for Anti-Money Laundering and Counter-Terrorism Financing ,**

Pursuant to the provisions of Decree Law No. (20) of 2015 on anti-money laundering and counter terrorism financing and amendments thereto, particularly Articles 20/1, 14 and 15 thereof and paragraph 6 of Table 2 attached thereto,

Based on the powers conferred upon it,

And to serve the public interest,

**Has issued the following instructions:**

#### **Article 1**

##### **Definitions**

1. The terms and expressions contained in these instructions shall have the meanings indicated below, unless the context indicates otherwise:

**Law:** Decree Law No. (20) of 2015 on anti-money laundering and counter-terrorism financing (AML/CFT).

**Unit:** The Financial Follow-up Unit.

**Committee:** The National Committee for Anti-Money Laundering **and Counter-Terrorism Financing**

**Customs Authority:** The General Administration for customs, toll and value added tax at the Ministry of Finance and Planning.

**Importer:** Any natural or legal person registered or authorized by competent authorities to engage in the activity of importing used cars from outside Palestine.

#### **Article 2**

The provisions of the present instructions shall be applicable to importers of used cars to the State of Palestine.

#### **Article 3**

1. Used car importing is a high-risk activity in the AML/CFT system. It falls under the DNFBPs mentioned in Table 2 attached to the Law.

2. Used car importing referred to in paragraph (1) of this Article shall be subject to the same obligations as DNFBPs mentioned in the Law.

#### **Article 4**

The customs declaration for used cars imported from outside Palestine shall only be issued after the Customs Authority receives a certified copy of the letter of credit or any transfer or financial banking transaction conducted to settle the value of the imported used car, while taking the following into consideration:

1. If the importer is a company, the financial banking transaction should be made from/to the account of the company as a legal person.
2. If the importer is a natural person, the financial banking transaction should be made from/to his personal account.

#### **Article 5**

1. Information required pursuant to the provisions of Article (4) shall be considered for the following purposes, whether single or combined:
  - a. Reducing money laundering risks arising from smuggling offenses,
  - b. Using such activity to conceal proceeds arising from the commission of any predicate offence or the offence of terrorism financing,
  - c. Verifying and confirming the soundness of the importing process,
  - d. Non-use of used and imported cars as a mean for layering property generated illegally.
2. The required information shall not be considered for calculation purposes, and the accepted value for customs purposes shall remain as determined by the Customs Authority on a yearly basis.

#### **Article 6**

Banks should take enhanced due diligence measures for financial transactions conducted to import used cars from outside Palestine, such as:

1. Verify the source and purpose of property,
2. Adopt a special declaration form for the beneficial owner of such transactions,
3. Match the name of the originator of the financial transaction for importing purposes with the information on the importer himself.

#### **Article 7**

The Customs Authority shall:

1. Put in place policies and procedures necessary for the activity of importing used cars from outside Palestine for AML/CFT purposes in accordance with the provisions of Article 13/3 of the Law,

2. Take necessary measures related to its mandate in line with the provisions of these Instructions.

#### **Article 8**

Palestine Monetary Authority shall:

1. Establish necessary measures for all the operating banks and money transfer companies to implement the provisions of these Instructions,
2. Issue necessary guidelines for financial institutions under its supervision to reduce the risk of using used car importing from outside Palestine in money laundering and the financing of terrorism.

#### **Article 9**

Competent Authorities, each within their own purview, shall implement the provisions of these Instructions as of 1/1/2017. The present instructions shall be published in the Official Gazette.

**Issued in Ramallah on: 25/7/2016 AD**

**Equivalent to: 20/Shawwal/1437 AH**

**The National Committee for Anti-Money Laundering (NCAML)**