

**Anti-Money Laundering and terrorism financing Decree  
Law  
No. (20) of 2015**

**The President of the State of Palestine,  
The Chairman of the Executive Committee of the Palestine  
Liberation Organization,  
After examining the Amended Basic Law of 2003,  
And amendments thereto, particular Article 43 thereof,  
And based on the authorities conferred upon us,  
And to serve the public interest,  
And The name of the Palestinian Arab people,**

**We have issued the following decree law:**

**Chapter (I)  
Definitions and general provisions**

**Article (1)  
Definitions**

For purposes of implementing the provisions of this law, the following terms and expressions contained in this law shall have the meanings indicated below, unless the context indicates otherwise.

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

**Monetary Authority:** The Palestinian Monetary Authority.

**Governor:** The Governor of the Monetary Authority.

**Committee:** The National Committee Anti- Money Laundering, and countering terrorist financing established under the provisions of this law.

**Unit:** The Financial Follow-Up Unit established under the provisions of this law.

**Property:** All types of assets, whether corporeal or incorporeal, movable or immovable; legal instrument or documents of any form, including electronic or digital, proving rights of ownership of such assets or a share thereof; currency in

circulation; foreign currencies; banking credits; traveler's checks; bank checks; cash transfers; shares; securities; bonds; drafts; and documentary credits; and any interest on and shares in profits; or any other income or value due or resulting from such assets.

**Predicate offences:** The offences stipulated in Article 3 of this law.

**Money- Laundering:** committing any of the stated acts in clause (1), article (2), in this law.

**Proceeds:** property resulting directly or indirectly, partially or fully, from a predicate offence.

**Financial institution:** Any natural person or legal entity subject to laws in effect in the state of Palestine, whose profession or activities are connected to any of the activities stated in [Annex No. 1] attached to this law [Annex No. 1], whether the person or entity engaged therein for the benefit of himself/itself or his/its customers.

**Designated non-financial businesses and professions:** Refers to the businesses stated in [Annex No. 2] attached to this law.

**Financial transaction:** Any disposition of property, including any purchase, sale, loan, pledge, transfer, transport, delivery, or other disposition of property affected by a natural person or legal entity, including: the deposit, withdrawal, or transfer of funds from one account to another; conversion of currency; granting of a loan or extension of credit; purchase or sale of shares, debt securities or certificates of deposit; or the rental of safe deposit boxes.

**Beneficial owner:** A natural person who owns or controls definitively the agent or account of a person who acted on the natural person's behalf in executing a transaction; or a person who exercises effective and definitive control of a legal entity or its management.

**Instrumentalities:** Any property or instrument used or intended to be used in any way, fully or partially, to commit one or more predicate offences.

**Precautionary seizure:** A temporary prohibition against transporting, transferring, converting, disposing, moving, or using property or the proceeds resulting from a crime, or the temporary seizure of such property or proceeds, based on an order issued by the competent court or competent authority.



**Confiscation:** The permanent divestment and deprivation of property or proceeds resulting from a crime or of the instrumentalities used in a crime, based on a judicial judgment issued by the competent court.

**Politically exposed persons:** the person along with his family, relatives, and associate, who are or have been a trusted with prominent public functions or political positions in Palestine or abroad includes political parties, judges, legislative council members, prosecutors, heads of State-Owned Enterprise and the heads of institutions and bodies, charities and NGOs or the authorities of the State of Palestine or of any other foreign state and heads and representatives of international organizations

**Payable from exporter's account:** A counterpart account used by a third party directly to Conduct transactions on his behalf.

**Fund or value transfer service:** [A service that] accepts cash, checks, or any other cash instrument or means used to store a value and repays the corresponding sum in cash or any other form to the payee through correspondence, messages, transfers, or a clearing system linked to the fund or the value transfer service.

**Controlled delivery:** Method enables verification and substantiation with all means of Proof of smuggling crimes. This method need not be based on the seizure of goods within or outside the scope of Customs. It allows for verification of crimes concerning the smuggling of goods when customs declarations were submitted and the goods were examined and cleared without any remark or reservation by the department indicating a smuggling crime.

**Undercover operation:** An investigation method involving the participation of a judicial police officer assigned to enforce the law. The officer adopts a secret or borrowed identity, or plays a temporary role or the role of informers who acts to direct the investigation officer and in all cases is an instrument for the obtainment of evidence or other information concerning a crime.

**Organized crime group:** Any organized group of three or more persons who, for a period of time, act in collusion to commit one or more crimes to obtain financial or material benefits of any type directly or indirectly.

**Wire transfer:** Any transaction executed by electronic means on behalf of a natural person or legal entity through a financial institution to provide a sum of money to a payee in another financial institution.

**Competent authority:** All government agencies assigned to combat money-laundering operations according to its authorities including public prosecutors and law enforcements.

**Supervisory authority:** The authority assigned by laws to control and supervise financial institutions and non-financial business and professions.

**Freezing:** The prohibition of transferring property or equipment's or other instrumentalities, or converting or disposing or moving, when owned by persons or specific entities, or controlling; pursuant to a decision issued from a competent court or other authorized authority, the attorney general, or according to the procedures of the United Nations Security Council its resolutions, and throughout its validity period.

**Terrorist :** Anyone commits any of the following acts:

1. Commits or attempts to commit, or participates as an accomplice in any terrorist act by any means directly or indirectly; and organizes terrorist acts or directs people to commit terrorist acts
2. Contributes in terrorist acts with a group of persons acting with a common purpose, such contributions shall be willfully made with the aim of enhancing terrorist acts to be made with knowledge of the intention of the group to commit any of the terrorist acts.

**Terrorist Acts:** The terrorist Stipulated for in the penal code and any enforced laws in Palestine.

**Terrorist organization:** Any group of terrorists who commits any of the following acts:

1. Commits or attempts to commit terrorist acts deliberately by any means directly or indirectly; or accomplices in executing or organizing terrorist acts, or directs others to commit terrorist acts.
2. Contributes in committing terrorist acts with a group of people who acting with a common purpose, to contribute in deliberately to affirm the terrorist act or with the knowledge of the intention of group to commit terrorist acts.

**Foreign Terrorist Fighters:** The foreign individuals who travel to a country other than their residence or nationality country, for the purpose of committing, or planning or preparing or participating in terrorist acts or providing or receiving terrorist training.



**Article (2)**  
**The Crime of Money Laundering and Terrorist Financing**

1. Any person who commits any of the following acts shall be considered to have committed the crime of Money Laundering:
  - a. Conversion or transfer of property with the knowledge that the property is the proceeds of a crime to thereby conceal or disguise the illegal source of the property or to aid a person complicit in the commission of a predicate offence to escape the legal consequences of his acts.
  - b. Concealment or disguising of the actual nature, source, location, disposition, movement, or ownership of property or rights to property with the knowledge that such property constitutes the proceeds of a crime.
  - c. Acquisition, possession, or use of property with the knowledge, at the time of the receipt of such property, that the property constitutes the proceeds of an offence for purpose to conceal and disguise illegal source of such property.
  - d. Participating in, aiding, abetting, conspiring in, providing advice or counsel on, facilitating, colluding in, concealing, or attempting to commit any of the acts stipulated in this article.
2. Knowledge, intent, or aim-given that they are basic elements necessary for [establishing] the crime shall be derived from factual, objective circumstances to establish the concealed source of proceeds without the need to obtain evidence of the predicate offence.
3. The laundering of property obtained from any predicate offence committed inside or outside the National Authority's territories shall be considered a crime, provided the predicate offence is criminalized under the law in effect in the country where the crime occurred. The crime of Money- Laundering shall also apply to persons who commit the predicate offence.
4. **Terrorist financing:** Anyone (natural or legal person) who commits willful or attempts to commit directly or indirectly by any means to provide or to collect money from legal or illicit source, to be used or with the knowledge that

the money will be used partially or fully for terrorist acts, terrorist organization, terrorist association, terrorist group or to commit any terrorist acts.

5. The acts mentioned in clause (4) of this article are considered Terrorist Financing offence, regardless the country where the terrorist act occurred or attempted to commit

6. Anyone is banned from doing the following acts:

a. Recruiting, organizing, transporting or equipping of terrorist foreign fighters, moving, providing, preparing terrorist fighters, or financing their travels and other activities

b. Traveling or attempting to travel from Palestine to any other country for the purpose of committing , participating , planning or preparing any terrorist acts or providing or receiving of terrorist training

c. Providing or collecting money willfully or knowing that money will be used to financé foreign fighters' moves and travels or to facilitate or to organize their travels

d. Entry or transit the state of Palestine for the purpose of terrorist related intentions"

### **Article (3) Predicate Offences**

Any property attained from the following crimes shall be considered illegal property and the object of the crime of Money Laundering:

1. Participation in a criminal group or an organized fraud group.
2. Human trafficking and alien smuggling.
3. Sexual exploitation of children and women.
4. Illegal trafficking in narcotics and psychoactive substances.
5. Illegal trafficking in arms and ammunition.
6. Illegal trafficking in stolen and other goods.
7. Bribery and embezzlement.
8. Fraud.
9. Counterfeiting currency
10. Counterfeiting and piracy of products.
11. Crimes in violation of the Environment Law.
12. Killing or serious harm.
13. Abduction, holding captive, or taking hostages.



14. Burglary and theft.
15. Smuggling.
16. Extortion, threat, or intimidation.
17. Forgery.
18. All types of piracy
19. Offences provided for in articles ( 99,89,88,87) of securities law in force
20. Corruption offences
21. Tax crimes
22. Illegal sale or conversion of land by the applicable regulations in Palestine, including mediation or any act aims to illegally alienate land or part of the land to be annexed to a foreign country.
23. Breach of trust
24. Offences provided for in Antiquities Law operating in Palestine
25. Financing of terrorism and terrorist acts

## **Chapter (II)**

### **Transparency and the Obligations of Financial Institutions and Non-financial Businesses and Professions**

#### **Article (4) Transparency**

1. Financial institutions may not enter into or continue business relationships with registered banks that lack a physical presence [in the Nation and are not Subordinate to a regulated financial group that is subject to the effective supervision by the competent supervisory authorities.
2. Financial institutions may not enter into or continue business relationships with receiver financial institutions in a foreign country if such institutions have permitted the use of their accounts by banks registered in territories where they lack a physical presence and are not subordinate to a regulated financial group that is subject to effective, sound supervision by the competent supervisory authorities.

**Article (5)**  
**Duties of The Competent Authority**

**The competent authorities must:**

1. Maintain, protect, and update adequate, precise information regarding the title and control structure of legal persons established in the National Authority's territories.
2. Inform the Unit and the agencies in charge of enforcing the law of the information stated In clause 1 of this article promptly in cases of suspicion and investigation.

**Article 6**  
**Identification of Customers**

Financial institutions and non-financial businesses and professions should carry out the following:

1. Should not keep anonymous accounts or accounts in obviously fictitious Names and Identify and verify the identities of their customers (natural persons or legal persons) and beneficiary owner through documents, data, or records in the following cases:

- a. The development of a business relationship.
- b. The execution of any transaction from time to time when the customer expresses his Desire to execute:
  - 1) A transaction whose value equals or exceeds the value set by the Committee According to instructions issued in this regard, regardless of whether the Transaction is conducted as one transaction or a number of apparently linked Transactions. If the transaction amount is unknown at the time the transaction is conducted, the customer's identity shall be ascertained as soon as the sum is determined or reaches the limit set.
  - 2) A domestic or international funds transfer.
- c. Doubt about the accuracy or adequacy of previously obtained data concerning the identity of a customer.
- d. Suspicion of Money Laundering or terrorist financing.

2. Collect information on the anticipated purpose and intended nature of the business relationship.

3. Exercise requisite, ongoing prudence regarding any business relationship, and carefully study transactions executed and their purpose to ascertain whether



they are consistent with the information possessed by any financial institution or non-financial profession or business regarding its customers and the customers' commercial activities, risk file, and when necessary sources of funds according to the law.

4. Adopt specific, adequate measures for dealing with the risk of Money-Laundering in a defined way and for ascertaining a customer's identity in the event that a business relationship is established or in the event that transactions are executed with a customer lacking a physical presence.

5. Provide suitable risk management instructions for determining whether a customer or actual beneficiary is a politically exposed person. If this is the case, it is necessary to:

- a. Obtain the approval of the institution's senior management before establishing a business relationship with the customer.
- b. Adopt all reasonable measures to determine the source of [the customer's] wealth and property.
- c. Provide greater ongoing surveillance of the business relationship.

6. Regarding cross-border relationships with correspondent banks, financial institutions shall:

- a. Identify and verify the receiver institutions with which they establish banking relations.
- b. Collect information on the nature of the activities practiced by the receiver institution.
- c. Evaluate the reputation of the receiver institution and the nature of the supervision to which it is subject based on published information.
- d. Obtain the approval of senior management before establishing a banking relationship with the receiver institution.
- e. Evaluate the anti-Money Laundering controls implemented by the receiver institution.
- f. Ascertain, in the event of payment from an exporter's account, that the receiver institution has verified the identity of the customer, that it implements mechanisms for constant surveillance of its customers, and that it is capable of providing relevant identifying information when requested to do so.

7. If financial institutions and non-financial businesses and professions are unable to meet their obligation to exercise the requisite ongoing prudence mentioned in clauses 1-5 of this article, they may not establish or continue in a business relationship, and they must, when necessary, submit a report to the Unit according to this law.

8. Adopt the risk based approach and understand, undentifying the risks of money laundering and financing terrorist financing, and set policies and strategies in accordance with risk; as financial institution shall report the results of taken measures to competent authorities in demand.

### **Article (7)**

Precious metals and precious stone dealers and other dealers that conduct high-value transactions must identify their customers when receiving a cash payment in the value set in instructions issued by the Committee.

### **Article (8) Wire Transfers**

1. Financial institutions whose activities include the execution of transfers including cable, electronic, and telephone transfers— should obtain and verify the following:

- a. Full name.
- b. Account number.
- c. Address.
- d. National identification number or any legally approved document, or the date and place of birth if the address is unobtainable.
- e. When necessary, the name of the financial institution originating the transfer.
- f. The payment message or form attached to the transfer must contain the information stated in clauses a-e of this article. If there is no account number, a specific reference number must be attached to the transfer.

2. The monetary authority shall issue instructions regarding financial transfers [*hawalas*].

### **Article (9) Special Attention**

1. The financial institutions and the defined non-financial businesses and professions must devote special attention to the following:

- a. All abnormally complicated and major transactions and all types of irregular transactions that have no clear, obvious economic or legal objective.



**b.** All financial transactions executed by natural persons or legal persons in countries that do not apply, or do not apply in the required manner, international standards for combating money-laundering or terrorist financing operations.

**2.** Financial institutions and non-financial businesses and professions must prepare a written report containing specific information on the transactions mentioned in clauses (a ,b) of paragraph (1) of this article and the identity of all concerned parties. This report must be kept as stipulated in Article (10) of this law. It must also be provided if requested by the Unit, the supervisory authority, or other competent authorities.

### **Article (10)** **Record keeping**

Financial institutions and non-financial businesses and professions must retain all records and documents concerning domestic or foreign financial transactions and commercial and cash transactions files of commercial accounts and correspondence, and copies of personal identification documents for at least 10 years from the date of the start or completion of the financial transaction or the end of the business relationship, and allow judicial authorities to obtain it accordance to the enforcing laws.

### **Article (11)** **Internal Measures**

**1.** Financial institutions and non-financial businesses and professions must prepare and implement programs to prevent money laundering and terrorist financing or these programs shall include the following:

**a.** Internal policies, procedures, and controls, including appropriate administrative and supervisory procedures, to ensure compliance with the highest hiring standards.

**b.** Ongoing training of officials and employees to help them identify transactions and actions linked to money laundering or terrorist financing or any of predicate offence and to know the procedures which they must follow in such cases.

**C.** Internal arrangements for auditing accounts to ascertain compliance with, and the soundness of, procedures adopted to implement and observe this law.

2. Financial institutions and non-financial business and professions must designate employee called "liaison officer" to monitor compliance with the aforementioned measures, and to assume responsibility for implementing the provisions of this law in the concerned establishment, and communicate with the unit in the all matters relating to the implementation of the provisions of this Act and any regulations made thereunder and instructions, and reporting of transactions suspected, or was aware of an incident or activity may constitute an indication of the crime of money laundering or terrorist financing or any of the predicate offences.

3. The supervisory authority may establish, according to the Committee's instructions, the type and extent of measures that must be adopted by financial institutions and non-financial businesses and professions in order to apply the provisions of this article.

#### **Article (12)**

##### **subsidiary companies**

1. The provisions of Articles (6,7,8,9,10,11) of this law shall apply to subsidiary companies and branches of financial institutions operating outside the National Authority's territories insofar as such provisions do not conflict with legislation in effect in the concerned countries.

2. Financial institutions with branches or subsidiary companies in countries whose laws prohibit the application of the provisions of this law shall so notify the supervisory authority.

#### **Article (13)**

##### **Duties of the Supervisory Authorities**

1. The supervisory authority and the competent authority shall be responsible for supervising compliance by financial institutions and non-financial businesses and professions with Articles (4, 5, 6, 7, 8, 9, 10, 11, 12,) and Chapter (V) of this law and the regulations and instructions issued in this regard.

2. The supervisory authority shall, insofar as doing so does not conflict with the provisions of this law:

- a. develop the necessary procedures for acquiring, managing, or directly or indirectly participating in the management, organization, or operation of a financial institution or non-financial business and profession.



- b.** regulate and supervise financial institutions to ensure the compliance thereof with the duties stipulated in Articles (4, 5, 6, 7, 8, 9, 10, 11, 12) and Chapter (V) of this law, including the conduct of field inspections.
- c.** issue instructions to help financial institutions and non-financial businesses and professions comply with the requirements stipulated in Articles (4, 5, 6, 7, 8, 9, 10, 11, 12) and Chapter (V) of this law.
- d.** cooperate and exchange information with other competent authorities, assist in investigations, bring judicial actions, and initiate procedures regarding the crime of money laundering and predicate offences.
- e.** Enhance internal cooperation, according to criteria or objectives established by the Committee regarding the reporting of suspicious transactions based on existing and future national and international criteria.
- f.** Ensure that financial institutions, including the foreign branches and subsidiaries thereof, implement the procedures stipulated in this law to the extent permitted by the legislation of the countries in which they operate.
- g.** Report to the Unit promptly any information on transactions or occurrences.  
suspected of involving the crime of money laundering or terrorist financing or any of the predicate offence.
- h.** Maintain statistical data on measures taken and penalties imposed in the course of implementing the provisions of this article.

**3.** The Supervisory and competent authorities shall a doubt the risk based approach; and understand, identifying the risks of money laundering and financing terrorism, and set policies and procedures; ensure to what extent financial institutions and non-financial business and professions comply with the risk based approach, as supervisory authority shall report measures taken to the committee, accordance with the provisions of this article.

### **Article (14)** **Reporting**

**1.** Financial institutions and non-financial businesses and professions that suspect, or have reasonable grounds to suspect, that property represents the proceeds of an offence, or they have knowledge of an occurrence or activity that may indicate the commission of the crime of money laundering , or terrorist financing or any of predicate offence must submit reports in this regard promptly to the Unit according to the instructions issued in this regard by the Unit to the extent that doing so does not conflict with clauses (3, 4, 5) of this article.

2. Clause (1) of this article shall apply to attempts to conclude transactions.
3. An attorney shall be exempt from the duty to report information which he receives from, or obtains about, his customers in the course of the attorney's determination of his customer's legal status or the attorney's defense or representation of his customer in or regarding litigation procedures, including consultations on the initiation or avoidance of litigation, regardless of whether such information was received or obtained before, during, or after such procedures.
4. Precious metal and precious stone dealers and dealers who conduct high-value transactions must report, to the Unit, any suspicious transactions under clause (1) of this article when they enter into any cash transaction whose value equals or exceeds the value set by the Committee in the instructions issued by the Committee in this regard.
5. Real estate agents and brokers must report, to the Unit, suspicious transactions consistent with clause (1) of this article when executing real-estate sale or purchase transactions for their customers.

**Article (15)**  
**Financial Institution restriction**

Taking into account the the provisions of article (16), financial institutions and non-financial business and professions shall :

1. If a financial institution suspects or has reasonable grounds to suspect that financial transaction or the funds may indicate the commission of the crime of money laundering , or terrorist financing or any of predicate offence, it should not execute the transaction and report promptly its suspicions to the Unit.
2. If Refraining from execution of transaction is impossible; executions of transaction shall be in accordance with mechanism provided for in clause (a) of this article, then inform the unit immediately
3. Required mechanism to implement clause's (1,2) of this article, is issued by the committee.

**Article (16)**  
**Disclosure of Information**

1. It shall be prohibited for financial institutions, non-financial businesses and professions, and their managers, officials, or employees to disclose to their customers or to any third party that information has been submitted to the Unit, or that a report has been submitted regarding a suspected money-laundering



crime or terrorist financing or any of predicate offences, or that a report is being, has been, or will be submitted to the Unit, or that an investigation of money laundering or terrorist financing or any of predicate offences has been or will be conducted.

2. Subject to clause (1) of this article, managers, officials, and employees of financial institutions and non-financial businesses and professions, legal counsels, and the concerned competent authorities may, among themselves, disclose or communicate regarding suspected money-laundering crimes or terrorist financing or any of predicate offences.

### **Article (17)** **Exemption from Liability**

No criminal, civil, disciplinary, or administrative measures may be taken for violation of banking, professional, or contractual secrecy against financial institutions and non-financial businesses and professions or their managers, officials, or employees who submit, in good faith, reports or information in accord with the provisions of this law.

### **Article (18)**

No punitive action at law may be brought regarding the crime of money laundering or terrorist financing or any of predicate offences against financial institutions or non-financial businesses and professions, or their managers, officials, or employees regarding the execution of a suspicious transaction reported in good faith according to Articles (14, 15) of this law.

## **Chapter (III)** **The National Anti-Money Laundering, CFT Committee**

### **Article (19)** **Establishment of the Committee**

1. Under this law, committee called the "The National Anti-Money Laundering, and CFT Committee "shall be established by decree of the President, The Committee's members shall include:
  - a. The governor of the Monetary Authority or his deputy in the governor's absence, chairman.
  - b. A representative of the Ministry of Finance, member.
  - c. A representative of the Ministry of Justice, member.



- d. A representative of the Ministry of Interior, member.
- e. A representative of the Ministry of National Economy, member.
- f. Director, Bank Supervision Department, member.
- g. Director of the Capital Market Authority, member.
- h. A legal expert, member.
- i. An economic and financial expert, member.

2. Representative of government ministries shall be a senior level staff

3. The chairman of committee assigned to appoint secretary of the committee from the unit.

### **Article (20)** **Authorities of the Committee**

The committee shall be authorized to:

1. Formulate general policies to combat the crime of money laundering and CFT, and ban financing of proliferation of weapons of mass destruction
2. Formulate policies that direct the Unit's activity and ensure its independent operation.
3. Coordinate with the competent authority to promote the policies and measures needed for the smooth flow of information between the Unit and the competent authorities.
4. Cooperate with the supervisory authority to ascertain that the agencies subject to the supervisory authority's supervision apply the provisions of this law.
5. Keep pace with international and regional anti-money laundering developments.
6. Represent the National Authority in international anti-money laundering forums.
7. Coordinate with the competent authorities to prepare periodic reports, regarding which the Committee shall issue instructions.
8. Submit the annual reports to the president of Palestine relevant to AML and CFT or any of predicate offences.
9. Grant administrative and financial privileges for employees of the unit accordance with the operative regulations in the unit.
10. Examine certain information of the Unit to ascertain the soundness of the Unit's operation.
11. Seek the assistance of experts and specialists as it deems appropriate.
12. Appoint the Unit's director based on the Committee chairman's nomination for a term of five years subject to renewal once, and appoint the Unit's employees from among experts and specialists, and Adoption of the

organizational structure.

**13.** Prepare the necessary regulations for implementing the provisions of this law, and submit the regulations to the president of state for the issuance thereof.

**14.** Issue instructions required to implement the provisions of this law

**15.** Conduct the national risk Assessment of money laundering and financing of terrorism risks, which includes define, assess the risks and set policies, strategies, and issue instructions required in such. and obtain the required informations from the Supervisory and competent authorities, and take the necessary action to reduce the risks.

**16.** Identifying and take the necessary measures related to the high risk countries and jurisdictions referral from the Unite.

**17.** Adopt the analytic and statistic report of the approaches of money laundering and financing terrorism crime

### **Article (21)**

#### **Meetings of the Committee**

**1.** The tenure of membership on the Committee shall be four years, subject to renewal once.

**2.** The committee shall hold at least four meetings annually and shall prepare minutes of its meetings. A committee meeting shall be valid if an absolute majority (one-half plus one) of the Committee members are present. The Committee shall issue its bylaws, which shall state the mechanism required for the Committee's operation, the method for convening Committee meetings, and the voting and decision-making mechanism.

**3.** The unit director may attend the Committee's meetings based on the Committee chairman's invitation, although the Unit director shall not have the right to vote.

### **Article (22)**

#### **Authorities of the Committee Chairman**

The Committee chairman shall be responsible for the following duties:

**1.** Summoning the Committee to meet.

**2.** Representing the Committee in international forums, and signing on behalf of the Committee.

**3.** Recommending to the Committee the appointment of the Unit director.

**Chapter (IV)**  
**Financial Follow-Up Unit**

**Article (23)**  
**Financial Follow-up Unit**

An independent unit shall be established under this law to combat the crime of money laundering and financing of terrorism. It shall be designated the “Financial Follow-Up Unit” headquartered at the PMA to act as the national information center and shall be responsible for the following functions

1. Receive and request information, from competent authorities subject to this law, related to transactions suspected of involving moneylaundering and financing of terrorism or any of predicate offences provided for in article (3) of this law.
2. Analysis of the information mentioned in clause (1) of this article.
3. Receive daily paper and electronic reports from the financial institutions, with regards to internal or external financial transactions according to the regulations issued by the committee.
4. The unit Directore and employees shall exercise judicial powers while they practice their job and missions accordance with the provisions of this law.

**Article (24)**

- 1 . The Unit shall perform its functions independently. Neither the Committee nor any other entity may interfere in the Unit’s functions or attempt to influence its decisions.
2. The unit shall be funded by the Monetary Authority based on the budgets accredited by the committee.
3. The committee accredits and approves the budget provided by the unit’s director, and supervises the implementation.
4. The unit is responsible for implementing the budget approved by the committee based on the latter’s instructions.



5. The administrative and the financial regulations and instructions enforced in the Monetary Authority, shall apply to the unit and the employees. Insofar as doing so does not conflict with the provisions of this law

#### **Article (25)** **Reports**

The director of the Unit shall prepare the following reports:

1. The periodic report stipulated by the rules and regulations issued under this law, and the annual report submitted to the Committee on the Unit's activities and activities relating to money-laundering, and terrorism financing or operations. The annual report shall be published in the format approved by the Committee.

2. The Unit director shall issue a statistical report on anti-money laundering, and terrorist financing or any of predicate offence trends, mechanisms, methods, and cases.

#### **Article (26)** **Disclosure of Information**

1. It shall be prohibited for members of the Committee and the director and employees of the Unit to disclose or divulge any information that comes into their possession by virtue of their work in the Committee or Unit, even after their employment is terminated.

2. Clause (1) of this article shall apply to persons who are able to obtain any information, whether directly or indirectly, by virtue of their contact with the Committee or Unit.

#### **Article(27)**

The competent authority should establish departments or divisions tasked with coordinating with the Unit to furnish the Unit with information on transactions suspected of involving money-laundering, and terrorism financing, according to the mechanisms established by the Committee.

#### **Article (28)** **Use of Information**

Information obtained under this law may be used solely to implement this law.

**Article (29)**  
**Information Requests**

1. All agencies, commissions, supervisory and competent authorities in the state of Palestine, without delay, shall provide the unit with any information related to its duties; as information shall be provided for on time as set in unit request.
2. Reporting entities , accordance with article (14) of this law, shall inform or provide the unit, without delay, with any additional information related to the duties of the unit provided for on time as set in unit request.

**Article (30)**

The unit must notify the supervisory authority of any financial institution or non-financial business or profession that does not comply with the provisions of this law or any regulations issued by such.

**Article (31)**  
**Authorities of the Unit**

If the Unit has reasonable grounds to suspect that a transaction involves the crime of money laundering or terrorism financing or any of predicate offences, it must:

1. Submits reports on transactions suspected of involving the crime of money laundering or terrorism financing or any of predicate offences to the Attorney general.
2. Unit submits reports to attorney General Deputy delegated to anti-corruption commission, if the predicate offences is crime of money laundering within the corruption crimes.
3. Reports of this unit indicated in this article considered official and probative.
4. Unit may refer and disseminate the outcomes of analysis of information related to the crimes proceeds suspicious of including transations of money laundering and financing terrorism, to competent authorities.

5. Unit may provide any competent authority upon request with any information relevant to the outcomes of analysis and collection of information that which includes crime of money laundering and financing of terrorism or any of predicate offences; information provided in this clause shall not be provided for authorities unless unit approves on the request of information.

### **Article (32)**

#### **Suspension of Execution of Financial transaction**

The director of the unit may suspend the execution of the suspected financial transaction of which includes crime of money laundering or terrorism financing; for a period not to exceed three (3) business days, whilst the attorney general may extend the suspension of transaction, upon unit director request, for no more than (7) business days.

### **Article (33)**

The attorney general shall, based on a decision issued by the competent court, be authorized to:

1. Monitor bank accounts and similar other accounts.
2. Have access to computer systems and networks and computer mainframes.
3. Monitor or track communications.
4. Make audio and visual recordings of, or photograph, actions, behavior, or conversations.
5. Intercept and seize correspondence.
6. Impose precautionary seizure on property and means linked to the crime of money laundering and financing terrorism; court order of seizure is appealable .

### **Article(34)**

#### **Exemption from Liability**

Units employees and every person officially assigned in investigation or collect evidence and tracking the proceeds relevant to crime of money



laundering and terrorism financing, shall be exempt from punitive, civil, or administrative liability, while they execute the provisions of this law.

## **Chapter (V)**

### **Disclosure of Property**

#### **Article(35)**

##### **Cross-border currency declarations**

1. Any person enter or departs Palestine must disclose what he possesses in the way of currency, negotiable bearer bonds, electronic currency, or precious stones and precious metals whose value equals or exceeds the value set by the Committee instructions issued in this regard. And The Customs authority may demand more information from the person about the source of currency, negotiable bearer bonds, electronic currency, or precious stones and precious metals, all the declaration shall recorded in database and provided to the unit.
2. The provisions of clause (1) of this article is apply on the operation of transfer currencies, negotiable instruments, Precious stones, and valuable metals into Palestine through person, mail service, shipping service, or any other means

#### **Article (36)**

##### **Customs authority**

shall be responsible to:

1. seizure or impoundment of all or a portion of any sum of currency or negotiable bearer bonds not declared or disclosure or falsely declared if it turns out it includes money laundering and financing terrorism crime. The Customs Department must furnish the Unit with any information requested by the Unit.
- 2 . controlled delivery operations regarding counter-smuggle crimes

## **Chapter (VI)**

### **Penalties**

#### **Article (37) money-laundering offences penalty**

Without prejudice to any more severe penalty stipulated in the Penal Code or any other law, a person who commits the crime of money laundering shall be punished by the following

1. If a person commits the crime of money laundering stemming from a predicate offence that is a misdemeanor, the person shall be punished by imprisonment of 1-3 years and a fine no less than the value of money of crime
2. If he committed the crime of money laundering stemming from a predicate offence that is a felony, the person shall be punished by imprisonment of 3-15 years and a fine no less than the value of money of crime.
3. If he attempts to commit the crime of money laundering, or aids, abets, facilitates, or consults regarding the commission of this crime, he shall be punished of the penalty imposed on the primary perpetrator.

#### **Article (38) exemption from penalty**

Any criminal who undertakes to report, to the Unit, the crime of money laundering or terrosim financing before the Unit or any competent authority has knowledge of the crime, shall be exempt from the penalty established in this law. If the report occurs after the Unit or another competent authority has knowledge of the crime, in order for the criminal to be exempt, the report must lead to the arrest of the other criminals or seizure of the property that is the object of the crime.

#### **Article (39) The legal entity penalty**

1. A legal entity that commits the crime of money laundering or terrosim financing shall be punished, without prejudice to the liability of any natural person subordinate to the legal entity, by a fine of (10,000 JD )- (200,000 JD ) or the equivalent in currencies in circulation.

2. A person responsible for the actual management of a violating legal entity shall be punished by the penalty stipulated in clauses (1,2 ) of Article (37) and clause(1)of Article(43)of this law if his knowledge of the crime is demonstrated, or if the offence occurred as a result of his breach of his employment duties.

3. A legal entity shall be jointly liable for payment of adjudicated fines and damages if the crime that occurred in violation of this law was committed by one of its employees on its behalf and to its benefit.

### **Article (40)** **Confiscation of Properties**

1. In addition to the sentences stipulated in Articles (37,39) of this law, the physical confiscation of the following shall also be ruled:

a. Property constituting the proceeds of the crime, including property mixed with, derived from, or exchanged for, such proceeds, or funds whose value equals such proceeds.

b. Property constituting the object of the crime.

c. Property constituting income or other benefits obtained from such property or proceeds of the crime.

d. Means.

e. Property mentioned in clauses (a-d) of this article that is transferred to a party deemed by the court to be the owner thereof, even if the owner obtained the property by paying a fair price or in exchange for providing services equal in value to the property, or on any legal basis, without being aware of the illegal source of the property.

2. In the case of property mentioned in clause (1) of this article, which is owned directly or indirectly by a person convicted of the crime of money laundering or a predicate offence, which property was acquired during the (10) years before the person was charged with the crime, the court may decide to confiscate such property if reasonable grounds exist to indicate that such property constitutes the proceeds of the crime for which the person was convicted, and the person is unable to prove that the property was obtained legally.

3. If a person convicted of money laundering is a fugitive or deceased, the court may decide to confiscate the property if it receives adequate evidence indicating that the property constitutes the proceeds of a crime as provided under this law.

4. The court must specify, in its judgments, the necessary details and location of the property to be confiscated.



**Article (41)**  
**Possession in good faith**

The court may cancel the effect of any legal title that precludes the confiscation of property under Article(40)of this law. The sum actually paid [for the property] shall be repaid to the party that acquired the property in good faith.

**Article (42)**

Unless stipulated otherwise in this law, the National Authority shall have title to confiscated property, and laws in effect shall apply thereto.

**Article 43**  
**Terrorism Financing Penalty**

1. Any person commit or attempts to commit Terrorism Financing crime provided for in clauses (4,5,6) of article (2) of this law, shall be punished with imprisonment of no less than (5) years and fine no less than (50, 000 JD), confiscating all instruments used or intended to be used in the crime. Also shall be punished of the penalty imposed on the primary perpetrator who: aids, abets, facilitates, or consults regarding the commission of this crime.
2. Each person refrain from implementing the provisions of articles (6,7,8,9,10,11,14,29) of this law, shall be punished with imprisonment of no less than(1)year and no more than (3), years and fine of no less than (5,000 JD), and no more than (100,000JD), or what equals in active money; or by both of these penalties.
3. Any person who violates the provisions of articles(16,29)of this law shall be punished with imprisonment of no less than (3) months and no more than (1)year, or fine of no less than (1,000 JD) and no more than (10, 000 JD); or by both penalties
4. Any person who violates the provisions of the article (35) of this law shall be punished by fine no more than (10%),of unauthorized money value or on disclosure, false acknowledgment of money; penalty doubled if violates repeated
5. The court may issue a temporary or permanent injunction prohibiting a person fromm engaging in his activity if the person has been convicted of violating the provisions of the articles specified in clause (2) of this article.

## **Article (44)**

- 1.** Any person who violates the provisions of this law or any instructions issued in this regard, and does not comply with these requirements deliberately or through gross neglect, shall be deemed to have committed an administrative violation. The supervisory authority may, upon detection the commission of such violation by financial institutions and non-financial businesses and professions, adopt measures and impose one or more of the following penalties:
  - a.** A warning to comply with specific instructions.
  - b.** Submission of periodic reports by the concerned financial institution or non-financial business or professions, stating the measures which it takes or stating compliance with the specified instruction's.
  - c.** Written warnings.
  - d.** Imposition of a fine of JD 1,000 - JD 50,000 or the equivalent in the currency in circulation.
  - e.** Prohibition of persons from employment in financial institutions and non-financial businesses and professions.
  - f.** Replacement or restriction of the authorities granted to the managers, chiefs, or controlling owners, including the appointment of a special director.
  - g.** Suspension, restriction, or withdrawal of a license, and a prohibition on continued engagement in the business or profession.
- 2.** information on the measures taken under clause(1) of this article may be published to inform the public.

## **Chapter (VII)** **General Provisions**

### **Article (45)** **Exchange of information's**

1. The unit may exchange information with counterpart units according to The principle of reciprocity, agreements or based on MOU in such; insofar as such agreements do not conflict with the laws in effect in the territories of the state of Palestine.
2. Accordance to the laws in effect in Palestine; Palestinian judicial bodies may cooperate with non-Palestinian judiciary bodies in obtaining mutual legal assistance, Letters rogatory, freezing requests, extraditions of criminals, precautionary sequestration, or crime proceeds ; accordance to the laws in effect in the territories of the state of Palestine, and where Palestine is a party to mutual or bilateral agreements.
3. Accordance to the laws in effect in the territories of the state of Palestine, and where Palestine is a party to mutual and or bilateral agreements. Palestine judiciary bodies may execute the foreign judgments of competence of which involve confiscation crime proceeds of money laundering or terrorism financing crime. The distribution of funds in accordance with the provisions of this law, or based on to mutual and or bilateral agreements.

### **Article (46)** **Banking secrecy provisions**

In implementation of this law, the secrecy provisions shall not prevent the implementation of the provisions of this law, including Banking secrecy provisions may not be used as a pretext to refrain from disclosing or presenting any information on the combating of money laundering or terrorism financing crimes, excluding what is stated in Article (14), clause (3) of this law.

### **Article (47)** **Committee of enforcing of UN Security Council Resolutions (UNSCR)**

By the provisions of this law, a committee called (the committee of enforcing of UNSCR) is formed by presidential decree; the committee is



Responsible for implementing and enforcing of all resolutions and decisions issued by Security Council of United Nations accordance with the Chapter (VII) relevant to CFT and Financing of Proliferation of Massive Destruction Weapons, The authorities of the committee and its mechanisms to execute this article should be organized by a president's decree.

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

The Council of Ministers shall issue the necessary regulations to implement the provisions of this law upon the National Committee's recommendation.

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

1. Anti-Money Laundering Decree Law No. (9) of 2007, is nullified.
2. Any [legislation] that conflicts with the provisions of this law shall be nullified.

#### **Article (50)**

This decree law shall be proposed to Legislative Council at first Session held to pass the law.

#### **Article (51)**

##### **Application and Validity**

All competent agencies, each within its purview, must implement, and operate according to the provisions of this decree from the date on which it published in the Official Gazette.

**Issued in the city of Ramallah on december 28, 2015,**

**Mahmoud Abbas  
President of the State of Palestine  
Head of Executive Committee of  
Palestine Liberation Organization  
(PLO)**

## **Annex No. (1)**

Any [natural or legal] person who takes up, as work for himself [itself], one or more of the activities or operations listed below for the benefit or on behalf of a customer [shall be considered a financial institution]:

1. Acceptance of deposits and other payable funds from the public.
2. Lending.
3. Financing lease.
4. Transfer of funds or values.
5. Issuance and management of means of payment.
6. Financial guarantees and obligations.
7. Transactions in:-
  - a. Short-term debt instruments.
  - b. Foreign currency.
  - c. Exchange of currencies, interest rates, and financial instruments linked to stock market indices.
  - d. Negotiable securities.
  - e. The Future Contracts Trading Exchange Regulation Authority.
8. Participation in, and provision of, financial services concerning issues of securities.
9. Management of individual and mutual portfolios.
10. Deposit and management of cash or liquid securities on the behalf of other persons.
11. Other investments of funds or cash and the management and regulation thereof on behalf of other persons.
12. Insurance, subscription to life insurance, and other investments in the insurance sector.
13. Foreign exchange.
14. Any activities or other transactions specified by the Committee.
15. If a natural person or legal entity engages in any of the activities or transactions mentioned above in an occasional or very limited manner, [as determined] based on definitive, quantitative criteria, the Committee may decide that the danger of money laundering is slight after the full or partial application of the provisions of this law to that natural person or legal entity.

## **Annex No. (2)**

### **Nonprofessional businesses and professions:**

1. Real estate agents and brokers.
2. Dealers in precious metals and precious stones.
3. Other dealers who deal in high-value transactions, including antiques dealers.
4. Attorneys and accountants when they prepare and execute transactions and participate therein to the credit of their customers with respect to the following activities:
  - a. The purchase and sale of real estate.
  - b. Management of customers' funds, securities, and other assets.
  - c. Management of bank accounts, savings, or securities.
  - d. Regulation of shares in the establishment, operation, or management of companies.
  - e. Establishment, operation, or management of legal persons, or legal arrangements, and the purchase of business corporations.
5. Providers of credit and corporate services not covered by the law, and persons who provide the following services to other parties on a commercial basis:
  - a. Service as an agent for the establishment of legal persons.
  - b. Work or arrangement of work for another person as a director or secretary of a company, or a partner in a partnership, or in a similar position relating to other legal persons.
  - c. Provision of: a registered head office, commercial address, store address, mailing address, administrative address for a company, partnership, or any other legal entity, or other arrangement.
  - d. Work or arrangement of work for another person as a trustee of an express trust.
  - e. Work or arrangement of work for another person as a nominated shareholder for another person.
6. The Committee may determine the extent of commitment of any of the non-financial professions and business determined in this annex by money laundry procedures stated in the original law, partially or totally, if it turns out that the risk of money laundry or terrorism financing is insignificant through quantitative and absolute standards. The Committee may add any of the activities carried out by ordinary or legal persons to consider them within the determined non-financial business and professions, following quantitative standards stipulating that the risk of money laundry is significant, partially or totally.



