

**Kingdom of Saudi Arabia**  
**Ministry of Interior**

# **Anti-Money Laundering Law & its Implementing Regulations**

Royal Decree No. M/39  
25 Jumada II 1424 / 23 August 2003

**Article (1):**

The following terms and phrases, wherever mentioned in this Law, shall have the meanings expressed next to them, unless the context requires otherwise:

**1. Money Laundering:**

Committing or attempting to commit any act for the purpose of concealing or disguising the true origin of funds acquired by means contrary to *Shari'ah* or law, thus making them appear as if they come from a legitimate source.

**2. Funds:**

Assets or properties of whatever type, tangible or intangible, movable or immovable, as well as legal documents and deeds proving ownership of the assets or any right pertaining thereto.

**3. Proceeds:**

Any funds obtained or acquired directly or indirectly by committing a crime punishable pursuant to the provisions of this Law.

**4. Means:**

Anything used or prepared for use in any form for committing a crime punishable pursuant to the provisions of this Law.

**5. Financial and Non-Financial Institutions:**

Any institution in the Kingdom undertaking one or more of the financial, commercial or economic activities, such as banks, money exchange, investment and insurance companies, commercial companies, sole proprietorships, vocational activities or any other similar activity specified by the Implementing Regulations of this Law.

**6. Transaction:**

Any disposal of funds, possessions or proceeds in cash or in-kind, including, for example: deposit, withdrawal, transfer, sale, purchase, lending, exchange or use of safe deposit boxes and the like, as specified by the Implementing Regulations of this Law.

**7. Criminal Activity:**

Any activity constituting a crime punishable by *Shari'ah* or law, including the financing of terrorism, terrorist acts and terrorist organizations.

**8. Preventive Seizure:**

Temporary ban on transport, transfer, exchange, disposal, movement, possession or temporary seizure of funds and proceeds, pursuant to an order issued by a court or a competent authority.

**9. Confiscation:**

Permanent dispossession and deprivation of funds, proceeds or means used in a crime, pursuant to a judicial judgment rendered by a competent court.

**10. Monitoring Agency:**

The governmental agency empowered to license, monitor or supervise financial and non-financial institutions.

**11. Competent Authority:**

Any governmental agency entrusted, according to its jurisdiction, with combating money laundering transactions.

1-1 one of the funds in paragraph (2) of this article financial instruments negotiable bearer or endorsed without restriction in favor of an unknown or beneficiary becomes the right of ownership when extradition is not documentation contained the names of the beneficiaries such as traveler's checks, checks, Sear, and payment orders.

1-2 The following are deemed activities provided for in paragraph (5) of this Article:

- (a) Acceptance of deposits, borrowing, opening of accounts.
- (b) Insurance, finance lease.
- (c) Money transfer services.
- (d) Issuance and management of means of payment (credit cards, traveler's checks, bank cards).
- (e) Issuance of guarantees and credits.
- (f) Trading or dealing in monetary instruments or dealing in foreign currencies.
- (g) Trading and financial brokerage.
- (h) Real estate transactions and Trust service.
- (i) Dealing in valuable metals, precious stones or rare commodities, like antiques.

- (j). Trade in goods with high value such as luxury cars and goods offer in auction houses.
- (k) Law practice and company service.
- (l) Accounting and auditing.

1-3 The following are deemed activities provided for in paragraph (6) of this Article:

- (a) Mortgage.
- (b) Transfer between accounts.
- (c) Gifts.
- (d) Currency exchange.
- (e) Trading securities.
- (f) Purchase or sale of any stocks, securities or certificates of deposits.
- (g) Authentication of contracts and power of attorney by the notary publics.

1-4 The authority in charge of preventive seizure provided for in paragraph (8) of Article (1), is the Bureau of Investigation and Public Prosecution, pursuant to what is provided for in Article 12 of The Anti-Money Laundering Law and its Implementing Regulations.

**Article (2):**

Anyone who commits any of the following acts shall be committing a money laundering crime:

- (a) Conducting any transaction involving funds or proceeds, with the knowledge that they are the result of a criminal activity or from unlawful or illegal sources.
- (b) Transporting, acquiring, using, keeping, receiving, or transferring funds or proceeds with the knowledge that they are the result of a criminal activity or from unlawful or illegal sources.
- (c) Concealing or disguising the nature of funds, proceeds or their source, movement, ownership, place or means of disposal, with the knowledge that they are the result of a criminal activity or from unlawful or illegal sources.
- (d) Financing terrorism, terrorist acts and terrorist organizations.
- (e) Participating by way of agreement, aiding and abetting, incitement, counsel, advice, facilitating, collusion, covering or attempting to commit any of the acts stated in this Article.

- 2-1 Financing terrorism, terrorist acts and terrorist organizations includes funds resulting from lawful sources.
- 2-2 Knowledge can be inferred from the objective and factual conditions and circumstances; thus creating an element of criminal intent constituting one of the crimes provided for in this Article.
- 2-3 Examples of the criminal activities or the unlawful or illegal sources whereby the dealing in funds resulting therefrom is deemed a money laundering crime are as follows:
- (a) Crimes provided for in Article (1) of the Implementing Regulations of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, for the year 1988, which was ratified by the Council of Ministers' Resolution No (168) dated 11/8/1419H.
  - (b) Organized crimes provided for in the United Nations Convention for Controlling Transnational Organized Crimes (Palermo Convention) issued in December 2000 and ratified by Royal Decree No. (m / 20) and the date of e 24/3/1425.
  - (c) The crimes set out in paragraph (5) of Article II of the International Convention on the Suppression of the Financing of Terrorism, ratified by Royal Decree No. (m / 62) and the date of e 18/7/1428.
  - (d) Smuggling, manufacturing, trading in or promoting intoxicants.
  - (e) Crimes of money counterfeiting provided for in the Royal Decree No (12) dated 12/7/1379H.
  - (f) Forgery crimes provided for in the Anti-Forgery Law issued by Royal Decree No (114) dated 26/11/1380H amended by Royal Decree No (53) dated 5/11/1382H.
  - (g) Bribery crimes provided for in the Anti-Bribery Law issued by Royal Decree No (36) dated 29/12/1412H.
  - (h) Smuggling weapons and ammunitions or explosives, or manufacturing or trading in them.
  - (i) Procurement and preparation of brothels or exercising of debauchery.
  - (j) Plundering or armed robbery.
  - (k) Thefts.
  - (l) Defraud and swindling.

- (m) Embezzlement of public funds of government bodies or that which the state contributes to, as well as private funds of companies and commercial establishments and the like.
- (n) Engaging in banking activities illegally, as provided for in Article (2) of the Banks Monitoring Law, issued by Royal Decree No (5) dated 22/2/1386H
- (o) Mediation in the securities without a license provided for in Article (31) and dealing in security based on information obtained from an insider provided for in Article (50) of the Capital market law by Royal Decree No. (M / 30) and the date of e 2/6/1424.
- (p) Mediation in the insurance business without a license provided for in Article (18) of the Cooperative Insurance Companies law by Royal Decree No. ( m / 32) and the date of 2/6/1424 e.
- (q) Crimes related to commercial activities such as fraud in brands, weights and prices as well as imitation of goods and commercial concealment as provided for in Article (1) of Anti-Commercial Concealment Law, issued by Royal Decree No (M/49) dated 16/10/1409H .
- (r) Smuggling provided for in the Unified Customs Law for the GCC States, issued by Royal Decree No (241) dated 26/10/1423H  
Tax evasion crimes.

**Article (3):**

Anyone who commits or participates in any of the acts specified in Article (2) of this Law, shall be committing a money laundering crime, including chairmen of the boards of directors of financial and non-financial institutions, board members, owners, employees, authorized representatives, auditors or their hired hands who act in these capacities, without prejudice to the criminal liability of the financial and non-financial institutions for that crime if it has been committed in their names or on their behalf.

- 3-1** Provisions of this Law and its Implementing Regulations shall apply to financial and non-financial institutions established in the free zones within the Kingdom.

- 3-2 Provisions of this Law and its Implementing Regulations shall apply to financial and non-financial institutions and their branches and subsidiaries operating within and outside the Kingdom.
- 3-3 The crime was committed in the name or on behalf of the financial and non-financial institution for the purpose of direct or indirect material or immaterial gain.

**Article (4):**

Financial and non-financial institutions shall not conduct any financial or commercial transaction, or otherwise under a false or unknown name. The identity of the clients shall be verified against official documents, at the outset of dealing with these clients or when concluding commercial deals whether directly or on their behalf. Such institutions shall verify the official documents of the corporate entities showing the name of the institution, its address, names of proprietors and managers authorized to sign on its behalf and the like, as provided for in the Implementing Regulations of this Law.

- 4-1 Financial and non-financial institutions and professions shall fully comply with instructions issued by the monitoring entities such as the Saudi Arabian Monetary Agency, Capital Market Authority, Ministry of Commerce and Industry and Ministry of Justice, pertaining to the principle of "know your client" and due diligence provided that it shall include the following as a minimum:

4-1-1 Verifying the identities of all permanent or occasional clients of financial and non-financial institutions against Valid officially certified original documents proving their identities as follows:

**(a) Saudi nationals:**

- National identification card or family record.
- Address of the person, place of residence and place of work.

**(b) Individual expatriates:**

- residence permit (*Iqamah*) or a five-year special residence permit or a passport or National identification for GCC nationals or a diplomatic identification card for diplomats.
- Address of the person, place of residence and place of work.

**(c) Corporate persons:**

- Licensed companies, establishments and stores:
  - Commercial register issued by the Ministry of Commerce and Industry.
  - License issued by the Ministry of Municipal and Rural Affairs for service establishments and private stores.
  - Articles of association, if any.
  - National identification card for the Saudi national who owns the commercial firm or the licensed service company to ensure that the merchant's name in the commercial register or the licenses is identical to his name and other details in the national identification card and that such card is valid.
  - A list of the persons who own the firm whose names are provided in the articles of association and their amendments, if any, and a copy of the identification cards of each of them.
  - A list of the persons authorized by the owner who are qualified to deal with the accounts, pursuant to what is provided for in the commercial register or according to a power of attorney issued by a notary public, or an authorization made at the bank and a copy of the identification card of each.
  
- Resident companies:
  - A copy of the commercial register issued by the Ministry of Commerce and Industry.
  - A copy of the articles of association and their annexes.
  - A license activity.
  - A copy of the identification card of the manager in charge.
  - A power of attorney issued by a notary public or a special authorization from the person(s), who, pursuant to the articles of association, have the power to authorize individuals to sign on their behalf.
  - A copy of the identification cards of the firm owners whose names are provided in the articles of association and their amendments.

4-2 Verifying the identity and legal status of actual clients and beneficiaries for all customers defined as the natural person ultimately owning or

controlling a customer or on whose behalf a transaction is being conducted, before opening an account or the initiation of transaction with any financial and non-financial institution.

- 4-3 Data related to the verification of identity shall be updated periodically or whenever there is a doubts about the accuracy or adequacy of the data obtained in advance at at any stage of dealing with the actual client or true beneficiary, and whenever there is a suspicion of money laundering or terrorist financing regardless Amounts of the limits of the process.
- 4-4 determine whether any customer is acting on behalf of another person and to take measures to identify and verify the identity of that person, with particular attention to accounts and business relationships operated under power of attorney.
- 4-5 enhanced due diligence performed for higher-risk categories of customer, business relationships, or transactions.
- 4-6 Simplified due diligence measures are not acceptable whenever there is suspicion of money laundering or terrorist financing or specific higher risk scenarios apply.
- 4-7 It shall not be acceptable from an agent, such as a lawyer, an accountant or a broker, and the like, to use the non-disclosure of clients' confidential information as an excuse when completing identity verification data in the manner mentioned above.

**Article (5):**

Financial and non-financial institutions shall keep, for a period of not less than ten years from the date of completion of the transaction or closing of the account, all records and documents to show the financial dealings, commercial and cash transactions, whether domestic or foreign and, to retain account files, business correspondence and copies of personal identification documents.

- 5-1 Financial and non-financial institutions shall retain a copy of the personal identification documents of their clients and of any document pertaining to the transactions conducted.

5-2 Financial and non-financial institutions shall maintain a record including all details of the transactions made to ensure:

- (a) Fulfillment of the requirements of the Anti-Money Laundering Law.
- (b) Sufficient to enable the Financial Intelligence Unit and the investigation and a judicial authority to trace and reconstruction of each transaction.
- (c) Answering, within the specified period, all inquiries made by the Financial Intelligence Unit and the investigation or a judicial authorities.

5-3 If financial and non-financial institutions are required, pursuant to the provisions of this Law, to maintain any transaction or account records beyond the minimum time required by the law, they shall keep the original records or documents until the conclusion of the time specified in the request.

**Article (6):**

Financial and non-financial institutions shall establish precautionary and internal monitoring measures to uncover and foil any of the crimes provided for in this Law and comply with the instructions issued by the competent monitoring authorities in this field.

6-1 The competent monitoring authorities shall set and develop the appropriate regulatory instructions and rules to be applied against the crimes prescribed by law, and the means and controls necessary to ensure compliance of financial and non-financial institutions with laws, rules and regulations to combat money laundering and the financing of terrorism.

6-2 Precautionary and internal monitoring measures established by the financial and non-financial institutions to uncover the crimes provided for in this Article, shall include the following:

- (a) Setting written and effective controls to prevent exploitation of those institutions in money laundering transactions and/or the financing of terrorism and to assist in uncovering suspicious transactions, and to prevent the misuse of technological developments in money laundering or terrorism financing schemes, and to address and

manage the risks associated with non-face to face business relationships or transactions.

- (b) Ensuring that the instructions issued by the monitoring authority are the minimum applicable instructions.
- (c) Following up and monitoring to ensure application of instructions and adequacy of measures.
- (d) Updating such controls periodically in line with developments in money laundering or the financing of terrorism activities.

**Article (7):**

Upon availability of sufficient indications and evidence showing that a complex, an immense or an unusual deal or transaction has been made, or that an activity of suspicious nature or purpose is underway, or is related to money laundering, financing terrorism, terrorist acts, or terrorist organizations, financial and non-financial institutions shall promptly take the following measures:

- (a) Immediately report said transaction to Financial Intelligence Unit provided for in Article (11) of this Law.
- (b) Prepare a report detailing all available data and information about such transactions and the parties involved, and provide the Intelligence Unit with such report.

7-1 Financial and non-financial institutions shall establish indicators of suspicion of money laundering or the financing of terrorism. They shall continuously update such indicators to keep up with developments and diversification of means for conducting such transactions while complying with instructions issued by monitoring agencies in that regard, and to pay special attention to unusual patterns of transactions that have no apparent or visible economic or lawful purpose.

7-2 financial institutions and non-financial institutions are required to report to the Financial Intelligence Unit all suspicious transactions, including any attempts to carry out such transactions.

7-3 Notification of the Financial Intelligence Unit shall be according to the form approved by the Unit, provided that the notification shall include the following information at a minimum:

- (a) Names of the accused, information about their addresses and telephone numbers.
- (b) A statement of the suspicious transaction, parties involved, circumstances of its discovery and its current status.
- (c) Determining the amount subject of the suspected transaction and relevant banking or investment accounts.
- (d) Reasons and causes for suspicion upon which the reporting officer relied.

7-3 The report prepared by the financial and non-financial institutions regarding reported transactions shall observe the following:

- (a) Financial institutions shall submit the report to the Financial Intelligence Unit within ten days from the date of notification, provided that it includes the following:
  - Account statements for a period of six months.
  - Copies of the documents attached to the documents for opening the account.
  - Data related to the nature of the transactions reported.
  - Indications and justifications for suspicion along with supporting documents.
- (b) When requested by the Unit, non-financial institutions shall submit their reports on the notifications within two weeks from the date of request. The request may include the following:
  - Information on the reported party.
  - Statement of the business or financial transactions concerning the reported person or the related parties.
  - Submission of indications and grounds for suspicion together with supporting documents.

**Article (8):**

As an exception to the provisions concerning banking confidentiality, financial and non-financial institutions shall submit documents, records and information to the judicial or competent authority upon request.

- 8-1 The judicial authority or the Bureau of Investigation and Public Prosecution or the Financial Intelligence Unit shall request the documents, records, and information from the financial and non-financial institutions through the Anti-Money Laundering Unit at the Saudi Arabian Monetary Agency for financial institutions under its supervision, through the Anti-Money Laundering Unit at the Ministry of Commerce and Industry for non-financial institutions, and through the Anti-Money Laundering Unit at the Capital Market Authority for stock exchange transactions and institutions under its supervision, and through the Ministry of Justice for fixed properties.
- 8-2 All documents, records and information shall be promptly submitted by financial and non-financial institutions to the judicial authority or the Bureau of Investigation and Public Prosecution or the Financial Intelligence Unit, upon request, through the Anti-Money Laundering Unit at the Saudi Arabian Monetary Agency for the financial institutions under its supervision, and through the Anti-Money Laundering Unit at the Ministry of Commerce and Industry for the non-financial institutions, and through the Anti-Money Laundering Unit at the Capital Market Authority for stock exchange transactions and institutions under its supervision, and through the Ministry of Justice for fixed properties.
- 8-3 Financial and non-financial institutions may not use the principle of confidentiality of accounts, identity of clients or information recorded pursuant to any other law as a pretext for withholding information.

**Article (9):**

Financial and non-financial institutions as well as their staff and others subject to the provisions of this Law shall not alert clients or allow for their alert or alert other related parties of suspicions regarding their activities.

9-1 In implementing this Article and in order to avoid any act that may alert clients or others, the following shall be observed:

- (a) Formal acceptance of transactions from clients and not rejecting them for appearing unusual or suspicious.
- (b) Avoiding suggesting alternatives to clients or providing them with advice or counsel in order to avoid instructions concerning the transactions conducted.
- (c) Keeping confidential reporting of transactions or clients or related information to the Financial intelligence Unit .
- (d) Communication with clients or foreign parties to inquire about the nature of the transactions shall not lead to suspicions.
- (e) Not informing clients that their transactions are under review or monitoring or the like.

**Article (10):**

Financial and non-financial institutions shall introduce programs for Anti-Money laundering transactions, provided that said programs include the following as a minimum:

- (a) Developing and implementing policies, plans, procedures and internal controls, including appointment of qualified officers at the higher administrative level to implement the same.
- (b) Setting up internal audit and control systems to ensure that basic requirements for combating money laundering are in place.
- (c) Setting up continuing training programs for employees concerned, to acquaint them with the latest developments in the field of money laundering transactions and to improve their abilities to recognize such transactions, their patterns and ways of combating them.

10-1 The director general or whoever he authorizes in the financial and non-financial institutions shall be responsible for implementing and developing policies, plans, procedures and internal controls pertaining to combating money laundering or terrorist financing.

- 10-2 Financial and non-financial institutions shall designate an employee or a department to be responsible for reporting and communicating with the Financial Intelligence Unit provided for in Article (11) of this Law. With regard to small non-financial sole proprietorships, reporting shall be directly made by the establishment owner or whoever he authorizes.
- 10-3 Financial and non-financial institutions shall establish a monitoring unit for conducting monitoring programs and internal audit in the field of combating money laundering or terrorist financing, provided that the task of the external auditor, if any, shall include a special program to ensure the extent of adherence of the financial and non-financial institutions to the policies of combating money laundering or terrorist financing.
- 10-4 Financial and non-financial institutions shall seek the assistance of the competent monitoring authorities when introducing means to ensure adherence to laws, regulations, and rules prescribed for combating money laundering or terrorist financing.
- 10-5 Financial and non-financial institutions shall set up plans, and programs and allocate budgets for training and qualifying their staff in the field of combating money laundering or terrorist financing according to the size and activity of such institutions, in coordination with the relevant monitoring authorities.
- 10-6 Assistance of specialized domestic and foreign institutions shall be sought in implementing the preparation, qualification and training programs in the field of combating money laundering or terrorist financing. Said training programs shall cover the following:
- (a) Agreements, laws, rules and instructions related to combating money laundering or terrorist financing.
  - (b) Policies and laws of the monitoring authorities in the field of combating money laundering or terrorist financing.
  - (c) New developments in the field of money laundering transactions and terrorist financing and other suspicious transactions and ways of recognizing such transactions, their patterns, and ways of combating them.
  - (d) Civil and criminal liability of each employee pursuant to the pertinent laws, regulations and instructions.

**Article (11):**

A unit for combating money laundering shall be established under the name of "Financial Intelligence Unit". Its responsibilities shall include receiving notifications, analyzing them and preparing reports regarding suspicious transactions in all financial and non-financial institutions. The Implementing Regulations of this Law shall specify the seat of this Unit, its formation, powers, method of discharging its duties as well as to whom it reports.

11-1 The Unit's seat and to whom it reports:

The Unit shall report to the Assistant to the Minister of Interior for Security Affairs. Its main seat shall be in the city of Riyadh. It may have branches in different parts of the Kingdom.

11-2 Formation of the Unit:

It shall be formed of a chairman and an assistant and a sufficient number of specialists in money laundering crimes or terrorist financing, in the financial, accounting, legal, computer and security fields.

11-3 Jurisdiction of the Unit:

The Unit shall have power to:

- (a) Receive notifications from financial and non-financial institutions and other government agencies and individuals concerning transactions suspected of being money laundering or terrorist financing crimes.
- (b) Create a database to be provided with all reports and information related to money laundering or terrorist financing. This database shall be regularly updated, kept confidential, and make them available to competent authorities.
- (c) Request and exchange information with related agencies and take the necessary measures to combat money laundering or terrorist financing.

- (d) Request and exchange information with other financial investigation units with respect to combating money laundering or terrorist financing, pursuant to Article (22) of this Law.
- (e) Prepare the forms used by financial and non-financial institutions in reporting transactions suspected of money laundering or terrorist financing. Such forms shall include data that assist the Unit in gathering information, analysis, investigation, entering them in the database and updating them if necessary.
- (f) Gather information on reports it receives about transactions suspected to be money laundering or terrorist financing. The Unit may seek the assistance of necessary experts and specialists from agencies concerned.
- (g) The Financial Intelligence Unit shall conduct field investigation and inquiry and may request the same from the security sectors at the Ministry of Interior. In the presence of sufficient evidence that the transactions reported are related to money laundering or terrorist financing, it shall refer them to the agency in charge of investigation and prepare a detailed report providing sufficient data about the committed crime, the culprit(s) and the nature of such evidence, accompanied by the opinion, together with all relevant documents and information.
- (h) Request the Bureau of Investigation and public Prosecution to carry out the preventive seizure of funds, properties and means relating to a money laundering or terrorist financing crime as provided for in Article (12) of this Law.
- (i) Take action with regard to reports, and information where information gathering and analysis indicate the absence of evidence or suspicion of the commission of any of the acts provided for in Article (2) of this Law.
- (j) Coordinate with the authorities monitoring financial and non-financial institutions to make available means necessary to verify the adherence of such institutions to the laws, regulations and instructions prescribed for combating money laundering or terrorist financing.
- (k) Provide feedback to financial and non-financial institutions reporting and to the competent authorities with combating money laundering and terrorist financing.

- (l) Participate in organizing awareness programs on combating money laundering or terrorist financing, in coordination with the Permanent Committee for Combating Money Laundering.
- (m) Submit necessary recommendations to the Permanent Committee for Combating Money Laundering about the difficulties and suggestions in the field of combating money laundering or terrorist financing.
- (n) The Financial Intelligence Unit may enter into memorandums of understanding with other financial investigation units pursuant to applicable laws and procedures.
- (o) Take necessary legal procedures to join the Financial Investigation Units Group (The Egmont Group).

#### 11-4 Departments of the Unit:

The Unit shall be composed of the following departments:

- (a) Department of Reports.
- (b) Department of Information Gathering and Analysis
- (c) Department of Information Exchange.
- (d) Department of Information and Studies.

#### **First: Department of Reports:**

- (1) Receiving reports on dubious and suspicious transactions regarding their nature and purpose or that they relate to money laundering or terrorist financing.
- (2) Receiving reports by fax or any other means. In case of telephone reports, they shall be confirmed as soon as possible in any written form.
- (3) Receiving reports shall be in the form prepared by the Unit and provided to all related departments and financial and non-financial institutions.
- (4) Recording the reports in special records with serial numbers, under which all necessary information is entered.
- (5) Referring reports to the Department of Information Gathering and Analysis to determine the existence of suspicion and indications of a money laundering or terrorist financing crime.

**Second: Department of Information Gathering and Analysis:**

- (1) Ensuring that the report includes the necessary information as well as attaching documents necessary for analysis.
- (2) Requesting the relevant agency to provide information, reports, documents needed for analysis when necessary.
- (3) Reviewing data and information included in the report and comparing them with information available to the Department to verify their accuracy and assess their appropriateness, making use of records of security, financial, commercial and other related agencies.
- (4) In the presence of sufficient indications that the transactions stated in the report are related to money laundering or terrorist financing, and a need arises for field investigations or the arrest of persons or tracking funds or assets under suspicion, the Unit shall do so. It may request the relevant security agencies in charge of investigation and inquiry at the Ministry of Interior to do the same. Hence, prepare an analytical report including their views, accompanied by the relevant report, and documents to complete the procedures and refer it to the agency in charge of investigation.
- (5) Requesting the Bureau of Investigation and public Prosecution to carry out preventive seizure of funds, properties, and means related to a crime of money laundering as stipulated in Article (12) of this Law.
- (6) Deal with reports and information, where information gathering and analysis indicate the absence of evidence or suspicion of the commission of any of the acts provided for in Article (2) of this Law.

**Third: Department of Information Exchange and Follow up:**

- (1) Exchange of information with domestic authorities and similar units in foreign countries with respect to combating money laundering or terrorist financing.
- (2) Providing the Department of Information and Studies with the number of requests received by the Department periodically every month, whether domestic or foreign.

**Fourth: Department of Information and Studies:**

- (1) Creating a database for the following:
  - (a) Reports on suspicious transactions received and analyzed and traced.

- (b) Reports referred to security agencies to complete the investigation and inquiry procedures or to the competent investigation agency.
  - (c) Reports leading to judicial or administrative action.
  - (d) Convictions in money laundering or terrorist financing cases.
  - (e) Requests for exchange of information received by the Unit from local authorities and foreign counterparts.
  - (f) Number of reports shelved and grounds thereof.
- (2) Monitoring indicators of money laundering or terrorist financing crimes in financial and non-financial institutions and ways of perpetrating them as well as proposing solutions and measures to be taken for combating them and referring the same to the Permanent Committee for Combating Money Laundering.
  - (3) Preparing an annual report on the unit's work and forwarding it to the Minister of Interior as well as providing the Permanent Committee for Combating of Money Laundering with a copy thereof.
  - (4) Keeping apprised of recent developments related to money laundering or terrorist financing crimes through relevant regional and international organizations and commissions.
  - (5) Participating in organizing awareness programs with respect to combating money laundering or terrorist financing, in coordination with the Permanent Committee for Combating Money Laundering.

**Article (12):**

The Financial Intelligence Unit upon establishment of suspicion, shall request the authority in charge of investigation to carry out preventive seizure to the funds, properties and means associated with a money laundering crime, for a period not exceeding twenty days. Should there be a need for the preventive seizure to continue for a longer period, it shall be pursuant to a judicial order from the court of competent jurisdiction.

12-1 The preventive seizure shall take place on all funds, properties or means owed to the suspect(s) and are in the possession of individuals, companies, financial and non-financial institutions or any other entity.

- 12-2 The request for preventive seizure shall be issued by the Head of Financial Investigation Unit or whoever he deputizes.
- 12-3 The preventive seizure request shall be made by a memorandum that includes a full statement of the following:
- (a) Detailed information of the persons whose funds, properties or means to be seized.
  - (b) Specification of funds, properties and means to be seized.
  - (c) Suspicions, recitals and confirmed reasons supporting the seizure.
  - (d) Duration of the preventive seizure shall not exceed the period stated in this Article.
- 12-4 The request for preventive seizure shall be sent in an appropriate confidential manner to the Bureau of Investigation and Public Prosecution. The request for seizure shall be promptly acted on, and the Financial Investigation Unit shall be notified of the decision within 48 hours.
- 12-5 The period of the preventive seizure specified in this Article shall start from the date of its imposition.
- 12-6 Upon issuance of the approval of the Bureau of Investigation and Public Prosecution of the request of the Financial Intelligence Unit, the Unit of combating money laundering at the Saudi Arabian Monetary Agency shall be addressed to seize funds deposited in financial institutions, the Ministry of Commerce and Industry to seize properties and whatever relates to the activities of non-financial institutions, the Ministry of Justice to seize lands and real estate, the Directorate of Public Security to seize means, the Customs Authority to seize goods and means under its control and the Capital Market Authority to seize securities. The Financial Intelligence Unit shall be notified thereof.
- 12-7 Procedures regarding the request or an order for continuation of seizure shall be taken before the end of the twenty- day period by a sufficient time.
- 12-8 The investigation authority, upon issuance of an order for continuation of the preventive seizure, shall inform the monitoring

and security agencies to enforce the court order and notify the financial Intelligence Unit thereof.

12-9 If the authority in charge of the investigation deems that it is not necessary to impose preventive seizure on funds, properties and means, mentioned in the request submitted by the Unit, such authority shall promptly notify the Unit in writing of its disapproval of such request, giving its views thereon.

12-10 The monitoring agencies and authorities in charge of combating money laundering may request through the Financial Intelligence Unit the imposition of the preventive seizure in compliance with the period specified in the Law.

12-11 The request for the continuation of the preventive seizure shall be through a petition deposited with the court, including the following:

- (a) The court with which the lawsuit is filed.
- (b) Date of submission of request.
- (c) Subject of the lawsuit and what is requested by the public prosecutor and supporting evidence.
- (d) The requested duration of seizure.
- (e)

**Article (13):**

Information disclosed by financial and non-financial institutions may be exchanged, according to the provisions of Article (8) of this Law between these institutions and the competent authorities, should such information be related to a violation of the provisions of this Law. The competent authorities shall observe the confidentiality of such information and not disclose it, except as necessary for use in investigations or lawsuits related to the violation of the provisions of this Law.

**Article (14):**

The Implementing Regulations of this Law shall determine the rules and procedures of disclosure of cash amounts and precious metals permitted to enter or leave the Kingdom and shall determine the amounts of money and weights required to be disclosed.

14-1 Estimated cash or financial instruments negotiated by the bearer or precious metals that must be disclosed when leaving or entering the Kingdom of "60.000" sixty thousand riyals or its equivalent in foreign currency.

14-2 prevent exit or entry of any traveler cash or financial instruments of negotiable bearer or precious metals exceeding the limit without the mobilization model disclosure in the case of controlling the security authorities, customs or the amount of financial instruments or negotiable bearer or precious metals that have not And disclosed more than the limit referred to the customs (the official) to investigate the reasons for non-disclosure if the reasons for his conviction required the mobilization of the passenger model disclosure and complete the remaining procedures for disclosure and allowed to leave or enter, including him, but in the absence of belief in the customs official reasons Or suspected money laundering or the financing of terrorism reference is the traveler to the competent authority for investigation and to inform the Financial Intelligence Unit to do so.

14-3 in the event of the outgoing passenger carrying precious metals worth more than sixty thousand riyals and wished to remove them from Saudi Customs shall review the disclosure by a performing seal and model disclosure and bill the purchase to ensure their value and if they applied for commercial purposes right the Unified Customs Law and its implementing regulations.

14-4 in the seizure of the outgoing passenger next to the Kingdom or in cases of repeated or not releasing in the event of releasing the relationship of suspicion and generate funds out suspicious money laundering or financing terrorism or providing false statements about him disclosure of cash or financial instruments that can be converted or precious metals over Value limit and be prepared record by the officer, which shall refer it to Customs and the Customs and then transmitted to the competent authority to investigate the claim to punish him according to article "20" of the anti-money laundering regime or the customs system, as is clear from the investigation and notify the Financial

Intelligence Unit and the excess amount shall be deposited The limit by customs in a special account secretariats and precious metals are impounded by Customs pending the receipt of a signal from the investigation.

14-5 customs inspections on the basis of a random sample or provide information on the suspected money laundering or the financing of terrorism and out of control for cash or financial instruments negotiable bearer or precious metals.

14-6 unveiled at next to Saudi customs officer to get him to cash or financial instruments of negotiable bearer or precious metals worth more than the limit For the customs officer in the port to ensure the safety of cash from counterfeiting by the representative of SAMA, and for precious metals It is required to prove ownership under the invoice and if it finds it for commercial purposes is administered by the Unified Customs Law and its implementing regulations.

14-7 send a copy of the information disclosure forms as agreed upon by the Customs Department of Financial Intelligence Unit set forth in the article "11" from the system of checking people from a crime of money laundering or terrorist financing or any other crimes.

14-8 review in the absence of owners of these funds or precious metals after the expiration of the period of "90" ninety days treated in accordance with applicable regulations seizures.

14-9 these procedures apply to companies or financial institutions and non-financial and gold shops and missions of the Hajj and Umrah and service companies for the transfer of cash or postal parcels and other postal and missions while maintaining its right to exercise its work.

14-10 Customs Department to develop a database of names of persons who had previously disclosed or not to know the purpose of which is repeated with the notice of the Financial Intelligence Unit.

14-11 Customs prepare the model disclosure referred to in this article after coordination with the Financial Intelligence Unit and distribution outlets.

14-12 The Ministry of the Interior and the Ministry of Finance to report such actions necessary instructions to various means available and provide guidance

in several paintings prominently at the entry and exit points around pointing out the procedures and sanctions to be applied in case of violating the order.

**Article (15):**

If a judgment to confiscate funds, proceeds or means is rendered pursuant to the provisions of this Law, and they are not required to be destroyed, the competent authority shall dispose of them according to the law or share them with countries which are parties, with the Kingdom, to agreements or treaties in force.

15-1 The competent authority provided for in this Article and which is in charge of disposal of confiscated funds, proceeds and means is the authority enforcing the preventive seizure.

15-2 The competent authority provided for in this Article and which is in charge of sharing confiscated funds, proceeds and means with countries that are parties with the Kingdom to agreements or treaties in force is the Mutual Legal Assistance at the Ministry of Interior.

15-3 The request for confiscation of funds, proceeds or means shall be stated in the prosecution's accusatory pleading and in the judicial judgments rendered by the courts in this regard.

15-4 The confiscation judgment shall include funds, proceeds or means subject of the crime, whether seized or not seized inside or outside the country.

15-5 In implementing this Article regarding funds, proceeds or means confiscated pursuant to a judgment, the following shall be observed:

- (a) Article (94) of the Law of Criminal Procedures and its Implementing Regulations regarding materials that perish over time or the preserving of which requires huge expenses that consume its value.

- (b) Depositing confiscated funds, proceeds or means with the state treasury.
- (c) The Council of Ministers' Resolution No. (47) dated 28/1/1421H providing for the transfer, to an independent account at the Saudi Arabian Monetary Agency, of funds seized in the possession of the accused in drug cases and the value of materials regarding which confiscation judgments were rendered. Funds in said account shall be used towards covering the needs of the General Directorate for Combating Drugs.

**Article (16):**

Anyone who commits a crime of money laundering, as provided for in Article (2) of this Law, shall be subject to imprisonment for a period not exceeding (10) years and a fine not exceeding five million riyals, or by either punishment, along with the confiscation of funds, proceeds and means subject of the crime. Should the funds and proceeds mix with funds acquired from legitimate sources, said funds shall be subject to confiscation within limits equal to the estimated value of the illegal proceeds.

The competent court may exempt from these punishments the owner, possessor, or user of the funds or proceeds subject of incrimination, if he notifies the authorities prior to their knowledge of the sources of the funds or proceeds and the identity of accomplices, without him benefiting from their revenues.

16-1 The investigating authority shall assess the estimated value of the illegal proceeds by seeking the assistance of experts. A judgment from a competent court shall be rendered in this regard.

16-2 Request for consideration of exemption from punishments of the notifying person shall be made by the authority in charge of investigation.

16-3 Upon receiving such notifications, procedures for investigation and inquiry shall be taken so as to ensure that the authorities have no knowledge of the crime.

**Article (17):**

The punishment of imprisonment shall be for a period not exceeding fifteen years and a fine not exceeding seven million Saudi riyals, if the money laundering crime is coupled with one of the following cases:

- (a) The perpetrator's committing the crime through an organized crime syndicate.
- (b) The perpetrator's use of violence or weapons.
- (c) The perpetrator's holding of a public post to which the crime is connected or exploiting his authorities or influence in the commission of the crime.
- (d) Deceiving or exploiting women and minors.
- (e) Committing the crime through a correctional, charitable or educational institution or in a social service facility.
- (f) Issuance of previous domestic or foreign judgments convicting the perpetrator, especially for similar crimes.

**Article (18):**

Without prejudice to other laws, any chairman of the board of directors of financial and non-financial institutions, board member, owner, manager, employee, authorized representative, or hired hand acting in these capacities, who fails to fulfill any of the obligations provided for in Articles (4, 5, 6, 7, 8, 9 and 10) of this Law shall be subject to imprisonment for a period not exceeding two years and a fine not exceeding five hundred thousand riyals or by either punishment. The punishment shall apply to those engaging in the activity without obtaining the required licenses.

18-1 In this Article, "other laws" means all laws issued by agencies monitoring financial and non-financial institutions, such as Companies Law, Law of Commercial Register, Banks Monitoring Law and the Capital market law.. etc.

**Article (19):**

Pursuant to a judgment based upon a petition submitted by the competent authority, a fine of not less than one hundred thousand riyals and not exceeding the value of funds subject to the crime may be imposed on financial and non-financial institutions whose liability is proven pursuant to the provisions of Articles (2) and (3) of this Law.

- 19-1 The competent authority in this Article is the Bureau of Investigation and Public Prosecution.
- 19-2 The liability lawsuit of financial and non-financial institutions shall be based on technical reports issued by the monitoring agencies in addition to other proving methods.
- 19-3 Application of punishments provided for in this Article shall not conflict with administrative or disciplinary penalties provided for in other laws which may be imposed on financial and non-financial institutions by the monitoring agencies with regard to establishing their liability.

**Article (20):**

With the exception of punishments provided for in this Law, anyone violating its provisions shall be subject to imprisonment for a period not exceeding six months and a fine not exceeding one hundred thousand riyals, or by either punishment.

**Article (21):**

The punishments specified in this Law shall not apply to those who violate it in good faith.

- 21-1 Good faith shall be determined by the competent judicial authority and shall be inferred from the objective conditions and circumstances.

**Article (22):**

Information disclosed by financial and non-financial institutions may be exchanged between those institutions and the competent authorities in other countries which are parties, with the Kingdom, to agreements and treaties in force or on the basis of reciprocal treatment, pursuant to established legal procedures, provided that this shall not prejudice the provisions and practices related to the confidentiality of financial and non-financial institutions.

22-1 Competent authorities in other countries provided for in this Article refer to the Financial Intelligence Unit or its equivalent in terms of functions.

22-2 Information disclosed by the financial and non financial institutions concerning a money laundering or terrorist financing crime shall be exchanged through the Financial Intelligence Unit.

22-3 When exchanging information pursuant to the provisions of agreements and treaties in effect or on the basis of reciprocal treatment, the following shall be observed:

- (a) Information exchanged shall only be used for the purpose it is requested for.
- (b) Information exchanged shall not be disclosed to a third party except with the approval of the Financial Intelligence Unit.

**Article (23):**

Upon request from a court or a competent authority in another country which is a party with the Kingdom to an agreement or treaty in force or on the basis of reciprocity, the judicial authority may order seizure of funds, proceeds or means related to a money laundering crime, according to the laws in force in the Kingdom.

Upon request from a competent authority in another country, which is a party with the Kingdom to an agreement or treaty in force or on the basis of reciprocity, the competent authority may order tracing of funds, proceeds or means associated with a money laundering crime, according to laws in force in the Kingdom.

- 23-1 Requests received from other countries regarding seizure or tracing of funds, proceeds or means related to money laundering or terrorist financing crime, shall be deemed one of the functions of the Mutual legal Assistance Committee based in the Ministry of the Interior and problem resolution by the Council of Ministers (No. 168) in e 11/8/1419 Amended Resolution No. (3) 7/1/1424 e, and legal procedures shall be taken in such a matter.
- 23-2 Requests related to seizure of funds, proceeds or means regarding money laundering crime, shall be referred to the Board of Grievances to render the judicial judgments for implementation by the competent monitoring agencies. The Financial Investigation Unit shall be informed thereof.
- 23-3 Requests related to tracing of funds, proceeds or means regarding a money laundering or terrorist financing crime shall be referred to the Bureau of Investigation and Public Prosecution, for implementation by the competent monitoring agencies.
- 23-4 Any request submitted pursuant to this Article shall include the following:
- (a) Specifying the entity submitting the request.
  - (b) Subject and nature of the investigation, tracing, or the judicial procedures to which the request relates, as well as the name and jurisdiction of the authority conducting these investigations, tracing or judicial procedures.
  - (c) A summary of relevant facts and the procedures taken.
  - (d) Specifying the type of request or any special procedure, which the requesting party wishes to be traced.
  - (e) Specifying the identity of any person concerned, his location and nationality.
  - (f) Specifying the funds, proceeds and means required to be seized or traced.
  - (g) Specifying the requested duration of seizure.
  - (h) Proof of judicial jurisdiction of the requesting country.

**Article (24):**

Any final judicial judgment providing for the confiscation of funds, revenues or means related to money laundering crimes, rendered by a competent court in another country, which is a party with the Kingdom, to an agreement or treaty in force or on the basis of reciprocity, may be recognized and enforced if the funds, proceeds or means provided for in this judgment may be subject to confiscation in accordance with the applicable law in the Kingdom.

- 24-1 Requests for execution of judgments received from other countries in relation to a money laundering or terrorist financing crime shall be deemed part of the functions of the Mutual legal Assistance Committee.
- 24-2 Requests related to execution of foreign judgments relating to a money laundering crime shall be referred to the Board of Grievances.
- 24-3 Any judgment to be recognized and executed shall include, in addition to paragraphs from (a) to (h) of Article 23-6 of these Regulations, the following:
- (a) Confiscation shall be pursuant to an enforceable final judicial judgment in one of the crimes provided for in Article (2) of this Law.
  - (b) The confiscation judgment shall be enforceable in the Kingdom.
  - (c) Funds or proceeds to be confiscated may not have been previously subject of the confiscation as a result of another judicial judgment or by a competent authority.

**Article (25):**

Chairmen of the boards of directors of financial and non-financial institutions, board members, owners, employees, hired hands or their authorized representatives, shall be exempted from criminal, civil or administrative liability which may result from the performance of the duties provided for in this Law or upon violation of any restriction imposed to ensure confidentiality of information, unless their actions are proven to be in bad faith, with the intent to harm the person conducting the transaction.

25-1 Bad faith shall be determined by the competent judicial authority and shall be inferred from the factual or objective and circumstances.

**Article (26):**

General courts shall have jurisdiction to decide all crimes provided for in this Law.

**Article (27):**

The Bureau of Investigation and Public Prosecution shall investigate and prosecute before general courts crimes provided for in this Law.

**Article (28):**

The Minister of Interior, in coordination with the Minister of Finance and National Economy, shall issue the Implementing Regulations of this Law within ninety days from the date of its issuance.

28-1 The Implementing Regulations shall be reviewed for the purpose of updating within five years or when necessary.

**Article (29):**

This Law shall be published in the Official Gazette and shall be effective sixty days from the date of its publication.