

**Republican Resolution No. (226) for 2010
On the Regulations of Law No. (1) for 2010
On Combating Money Laundering and Terrorism
Financing**

President of the Republic:

After perusal of:

- The Constitution of the Republic of Yemen
 - Law No. (1) for 2010 on Combating Money Laundering and Terrorism Financing
 - The Republican Resolution No. (50) for 2007 on the Formation of the Cabinet and Naming its Members and the amendment thereof, and the Republican Decree No. (184) of 2011 on Formation of Cabinet and Naming of its Members and the amendments thereof
- and
- Based on the presentation of the National Committee for Combating Money Laundering and Terrorism Financing, and
 - The approval of the Cabinet

Resolved

**Chapter One
Definitions**

Article (1)* These Regulations shall be named (the Executive Regulations of Law No. 1/2010 amended by Law No. 17/2013 on Combating Money laundering and Counter-Terrorism Financing).

Article (2)* For purposes of applying the provisions of this Regulation, words and expressions listed below shall have the meanings ascribed against each of them, unless the context otherwise requires a different meaning or the context indicates otherwise:

Republic:	Republic of Yemen.
Central Bank:	Central Bank of Yemen.
Governor:	Governor of the Central Bank of Yemen.
Committee:	National Committee on Anti-Money Laundering and Counter-Terrorism Financing formed under the provisions of the Law and this

	Regulation.
The Unit:	The Financial Information Unit (FIU) .
The Law	Law No. (1)/2010 on Anti-Money Laundering and Counter-Terrorism Financing and its amendments.
Funds:	Assets of any kind, tangible or intangible, movable or immovable, which are obtained by any means, and legal documents or instruments in any form including electronic or digital form, which indicate the ownership of such funds or interest therein. Such assets include, for example, all types of local and foreign currency, securities, trade instruments and bank credits, travelers' checks, money orders, stocks, bonds, drafts and letters of credit, any interest or dividends or returns of such funds or the amount due or arising therefrom.
Proceeds:	Shall mean the funds derived from or obtained, directly or indirectly from any offenses.
Money Laundering:	The act defined in Article (3) of the Law.
Financing of Terrorism:	The act defined in Article (4) of the Law.
Financial Institutions:	Any financial institution practicing any kind of activities or operations for customers or on behalf of them, - of any legal form and whether it is in the form of a company or an individual enterprise - which is engaged in any of the following businesses: Acceptance of deposits of all kinds. Granting credit of all kinds. Financial leasing. Money transfer services. Currency exchange. Issuing means of payment of all kinds including credit and debit cards, cheques, instruments and any other banking business as stipulated in the commercial law in force. Financial guarantees and commitments, including mortgage financing and factoring. Trading in money and capital market instruments through buy/sell transactions including trading in foreign currency, spot and

forward exchange markets.

Dealing in securities, including treasury bills.

Providing administrative and consultancy services to the investment portfolios and trustee investment services.

Management and keeping of securities and precious items.

Life insurance and any other insurance products that have investment element.

The other financial activities, identified by virtue of a decree from the Prime Minister and according to the Committee's proposal.

Non-financial
Institutions and
Designated
Professions:

Any institution practicing any kind of activities or operations for customers or on behalf of them, of any legal form, whether in the form of a company or individual entity – including the following:

Real estate brokerage

Dealers in precious metals or stones, clerks and notaries.

Private firms of lawyers and accountants.

Services of establishing companies and their associated activities.

Any other activity or activities identified by a decree issued by the Prime Minister based on the Committee's proposal.

The Control
and Supervision
Entities:

The following entities are mandated, each within its scope of competence, with supervision and control powers over any of the activities of the financial and non-financial institutions and designated professions:

The Ministry of Justice.

The Ministry of Social Affairs and Labor.

The Ministry of Industry and Trade.

The Ministry of Communications and Information Technology.

Central Bank of Yemen.

The Customs Authority.

The Central Organization for Control and Auditing.

General Authority for Land, Survey and Urban Planning.

General Authority for Standardization, Metrology and Quality Control.

Any other body vested with the authority to control and supervise any of the activities of financial or non-financial institutions and designated professions specified under a decree issued by the Prime Minister based on the Committee's proposal.

Real Beneficiary: The natural person who owns or controls a customer or accounts, the person on whose behalf a transaction is being conducted, or according to his own will.

Politically Exposed Persons (PEPs): Any natural person who is or has been entrusted with prominent public functions in the Republic or a foreign country such as the heads of States or government; other high-ranking politicians; senior government, judicial or military officials; senior executives of state-owned corporations; important political party officials; or persons assigned by a regional or international organization in senior position, including family members or close associates of the PEPs. This definition shall not apply to middle ranking or more junior individuals.

Seizing Shall mean prohibiting the transfer, conversion, disposition or movement of funds or other property on the basis of, and for the duration of the validity of, a court's decision. The seized funds or other property shall remain the property of the persons or entities that held an interest in the specified funds or other property at the time of the seizure, but shall be administered by the judicial authority.

Freezing: Shall mean prohibiting the transfer, conversion, disposition or movement of funds or other property on the basis of, and for the duration of the validity of, a decision of a judicial or other competent judicial authority under a freezing mechanism for the duration of the procedure or until a confiscation order is taken. The frozen funds, property, equipment,

tools or other assets shall remain the property of the natural or legal person(s) or entities that held an interest in the specified funds, property, equipment or tools at the time of freezing, and may continue to be administered by the financial institution assigned by the natural or legal person(s), or by a third party pursuant to a decision from the competent authority or the competent judicial authority which issued the freezing order before taking a decision under the freezing mechanism.

Walk-in Customer: A customer who does not have an ongoing relationship with the financial or non-financial institutions.

Ongoing Relationship: Every financial or commercial relationship expected at its inception to last for a period of time and to include multiple operations. The ongoing relationship includes any relevant commercial or professional relationship related to one of the activities or operations carried out by the specific financial and non-financial institutions and professions when such institution expects the relationship to last for a period of time.

False Financial Institution:

Physical presence: A financial institution that has no physical presence in the State where it is incorporated and obtains a license, and is not related to any group of financial services under effective unified supervision.

Due Diligence: A financial institution has a physical presence if it:
has a permanent place of business to receive customers, that it is not enough for it to have a local agent or low-level employees.
has actual management.
Keeps records for transactions.
is subject to inspection by the supervisory and control bodies, whether in the country it is incorporated or in the country it exercises its business.

Exerting effort to identify and verify a customer or real beneficiary's identity and the continuous follow-up of transactions conducted within the framework of an ongoing relationship, in addition to identify the nature of future relationship among financial or non-financial institutions, designated professions and the customer and the purpose thereof.

Confiscation: The permanent deprivation of funds, assets or other property, including tools and media used in committing the crime and the tools and media intended to be used, under a final court judgment in favor of the State, whereby the natural or legal person, or other natural or legal persons, shall lose all ownership rights of such funds, assets or other property.

Terrorist Act: a. Any act which constitutes an offense under any of the following conventions:

Convention for the Suppression of Unlawful Seizure of Aircraft (1970)

Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (1971).

Convention on the Prevention and Punishment of Crimes Against Protected Persons, Including Diplomatic Representatives (1973).

The International Convention against the Taking of Hostages (1979).

Convention on the Physical Protection of Nuclear Material (1980).

Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1988).

Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988).

Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (1988).

International Convention for the Suppression of Terrorist Bombings (1997).

International Convention for the Suppression of the Financing of Terrorism (1999).

b. Any other act intended to cause death or serious bodily injuries to a civilian, to any other person not part in the hostilities or in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate the population, or to compel a government or an international organization to take a particular action or to abstain from doing any act.

Terrorist: Any natural person doing any of the following acts:

Commits or attempts to commit terrorist acts, by any means, directly or indirectly, and willfully.

Participates as an accomplice in terrorist acts.

Organizes or directs others to commit terrorist acts.

Contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

Terrorist organization: Any group of terrorists that:

a) Commits or attempts to commit terrorist acts, by any means, directly or indirectly unlawfully and willfully.

b) Participates as an accomplice in terrorist acts.

c) Organizes or direct others to commit terrorist acts.

d) Contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

Chapter Two

Crimes of Money Laundering and Terrorism Financing

Article (3)* Criminalization of Money Laundering:

a. Any person, who commits one of the following acts inside or outside the Republic, shall be guilty of a money laundering offense:

Converting or transferring funds by any person who knows or should have known that such property is the proceeds of crime for the purpose of concealing or disguising the illicit origin of such property, or for the purpose of assisting any person who is involved in the commission of the predicate offense to evade legal consequences for his actions.

Concealing or disguising the true nature, source, location, disposition, movement or ownership of or rights with respect to property by a person who knows or should have known that such property is the proceeds of crime.

Acquisition, possession or use of property by any person who knows or should know at the time of receipt that such property is the proceeds of crime.

The 'knowledge' referred to in the provisions of paragraph (a) of Article (3) of the Law and this Regulation may be inferred from the objective factual circumstances.

b. Any person, who initiates, participates in, instigates, orders, colludes, conspires, provides advice to or helps in committing any of the acts listed in items (1, 2 & 3) of Paragraph (a) of Article (3)of the Law and this Regulation, shall be guilty of a money laundering offense.

c. The acts specified in items (1, 2 & 3) of Paragraph (a) of this Article shall be deemed money laundering crimes in the event such funds have been obtained from the following predicate offenses:

Participation in an organized criminal group.

Terrorism, including terrorism financing.

Slavery, trafficking in human beings and smuggling of migrants.

Sexual exploitation, including sexual exploitation of children.

Cultivation, manufacture and illicit trafficking in narcotic drugs and psychotropic substances.

Illicit trafficking in arms and ammunition.

Illicit trafficking in stolen and other goods.

Corruption and bribery.

Fraud and cheating.

Forgery and counterfeiting, including the falsification of official and legal documents; counterfeiting of currency; promotion of counterfeit or non-current currency; counterfeiting and piracy of goods; faking official seals, tags, public bonds and the like, and trademark counterfeiting.

Environmental Crimes.

Murder and grievous bodily injuries.
Kidnapping, illegal restraint and hostage-taking.
Burglary, theft and seizure of public or private funds.
Smuggling, including customs smuggling, tax evasion and smuggling of antiquities and historical manuscripts.
Tax offenses.
Extortion.
Piracy.
Commercial fraud and concealment and manipulation of markets, including financial markets and trading in market instruments by insiders based on undisclosed information.
Offenses against national economy as stipulated in the Penal Code.
All the crimes that are not listed above, which are punishable under the provisions of laws in force.

d. The predicate offenses set forth in paragraph (a) of this Article of the Law and this Regulation shall include predicate offenses committed outside the Republic if they constitute a crime under the law of the country where they were committed and shall, at the same time, constitute a crime under the laws in force in the Republic.

e. A money laundering offense shall be considered independent of the predicate offenses that yielded the funds. However, conviction of committing the predicate offense is not a condition to prove the illicit source of the proceeds of the crime.

Article (4)*: Criminalization of Terrorism Financing: Any person shall be a criminal of terrorism financing, if he:

a- collects or provides money directly or indirectly, with any mean and he knows well that it will be used, in whole or in part, to finance the commission of the following acts:

1- Any act of violence or threat of it, whatever its motives or purposes, that takes place in implementation of an individual or collective criminal enterprise, and aims at spreading terror among people or intimidating them by abusing them and endangering their lives, freedom and safety, endangering the environment or a public or private utility and property or occupying or seizing them, endangering a national resource, or forcing an international government or organization to carry out illicit act or refrain from doing a licit act;

2- Any act that constitutes a crime under the relevant conventions or treaties ratified or joined by the Republic;

3- Any act that constitutes a crime specified in the Law for Combating Carjacking and Kidnapping;

4- Attempts, participates, incites or assists in the commission of any of the acts listed in item (a) above;

5- Cases of struggle by whatever means against foreign occupation and aggression for liberation and self-determination in accordance with the principles of international laws shall not be of the crimes covered in this article, however these cases shall not include any act affecting the territorial integrity of any Arab State.

Chapter Three

Duties of Financial institutions, non-financial institutions and Designated occupations

Article (5): The activities of financial institutions, non-financial institutions and designated occupations listed in article (2) therein shall not be exercised, unless a prior permit is obtained from the authorities concerned in accordance with to the provisions of the laws in force.

Article (6): Financial institutions may not deal or keep dealing with any other false financial institution, and may not deal with encounter financial institutions that provide services to globally-banned financial institutions including false financial institutions.

Article (7): Financial institutions, non-financial institutions and designated occupations shall take diligent actions to identify true customers and beneficiaries, particularly in the following cases:

a- When making on-going working relationship;

b- When making a transaction for a transient customer with more than a million Yemeni Riyal or its equivalent in other currencies, and this includes the cases where transactions are made in the form of a single process or multiple processes appearing to be linked with each other;

c- When making incidental transactions for a transient customer in the form of wire transfers with more than two hundred thousand Riyals or its equivalent in other currencies;

d- When there is suspicion of a crime of money laundering or terrorism financing, irrespective of any amounts specified in these regulations;

e- When there is suspicion of the accuracy, sufficiency or correction of the information already obtained regarding customer identification;

Article (8): Financial institutions, non-financial institutions and designated occupations – according to the nature of the case- shall not maintain unknown accounts or accounts in fake names, and shall exert due diligence to identify customers of natural or legal persons and verify them, and also identify true beneficiaries and take reasonable measures to verify them, that they must meet the following documents and data:

First: Individuals

- 1- Full name with surname
- 2- Sex (male/female)
- 3- Nationality
- 4- Official document number and type
- 5- Identity or family card, or passport for non-Yemenis provided they have valid residence in the Republic, and maintaining a copy of it after signing it by the competent employee if conforming to original;
- 6- Place of residence
- 7- A document showing the place of residence such as a bill of a public utility or any other possible mean;
- 8- Phone/fax number
- 9- E-mail address (if any)
- 10- Date and place of birth
- 11- Occupation
- 12- Employer and its address
- 13- Names and data of the people licensed to deal with the account, and the documents indicating that and their nationalities (if any);
- 14- Names, addresses and data of authorized people for imperfect or incapable people, and the documents indicating that;
- 15- Name of the true beneficiary of the account
- 16- Customer's signature
- 17- Purpose for handling the account
- 18- Customer's commitment for updating data upon any changes to them or when requested by the financial institution;

Second: Legal persons

- 1- Facility name
- 2- Facility address
- 3- Phone/fax number
- 4- Copy of the articles of Association for the facility
- 5- Name and address of owner, and addresses of shareholders whose shares are more than 10% of the capital of the facility;
- 6- True copy of the articles of association and articles of incorporation and the decision of license

- 7- True copy of the commercial record
- 8- Names of the directors authorized to sign on behalf of the facility
- 9- Signature samples for the persons authorized to deal with the account
- 10- Written approval from the customer showing the identity of true beneficiary, including his full name, surname and place of residence and data on his financial position
- 11- Resolution of the chairman or administrative official of the company for opening the account and the person enjoying the right to handle the account

Third: Joint-Stock Companies

- 1- Name and addresses of the chairman, director general and financial manager;
- 2- The requirements and documents listed in item (Second) above;

Fourth: Non-profitable organizations

Financial institutions must not open any accounts for non-profitable organizations unless the following documents are provided:

- 1- A letter issued by the Ministry of Social Affairs and Labor confirming the identity of the relevant organization and the licensing for that organization to open bank accounts;
- 2- True copy of the articles of association;
- 3- True copy of the license;
- 4- Name of the organization and its legal form;
- 5- Address of the head office and branches;
- 6- Phone and fax numbers;
- 7- The purpose for handling the account, and the resources and applications of funds and any other data required by the authorities concerned;
- 8- Names and addresses of the people authorized to signed on behalf of the organization;
- 9- Signature samples for the people authorized to handle the account in accordance with the requirements of the Ministry of Social Affairs and Labor;

Article (9): In case a person deals with the financial or non-financial institution and designated occupations by proxy for a customer, it must be made sure that a legal proxy or authenticated authorization provided that the proxy and the authorization or a true copy of it must be maintained

and the agent and principal must be identified and verified in accordance with the procedures set forth in these regulations.

Article (10): Financial institutions must apply the procedures for the verification of customers' identity and due diligence process for correspondent financial institutions and banks when establishing a work relationship with them, and must also take the following actions:

1- Obtain the approval of the top management before establishing the relationship with the correspondent financial institutions and banks;

2- Collect sufficient information on the correspondent financial institutions and banks to reach a complete understanding of the nature of their work, and identify then the kind of their fame and the kind of monitoring that they subject to, including if they have previously subjected to investigation for money laundering and terrorism financing or any other regulatory measures;

3- Evaluate the rules used by the correspondent financial institutions and banks to combat money laundering and terrorism financing, and make sure they are sufficient and effective depending on a questionnaire or survey that must be answered by the correspondent financial institutions and banks showing the position of the correspondent financial institution or bank from the compliance with its own local legislation and rules, the identity verification procedures applied to its customers and its efforts in combating money laundering and terrorism financing, and also the availability of effective internal procedures in this regard;

4- Determine in writing the responsibility of the correspondent financial institution or bank for money laundering and terrorism financing;

5- Make sure that the correspondent financial institution and bank subject to effective regulatory supervision by the authorities concerned;

6- Document all the information and written documents and agreements, and provide them to the authorities concerned if necessary;

7- Make sure that the correspondent financial institutions and banks that maintain accounts for payment by correspondence with Yemeni banks apply the due diligence process to their customers who have the right to have access to such accounts and that they are capable to provide the relevant customer identification data upon request;

Article (11): Financial institutions, non-financial institutions and designated occupations shall take from their customers the information concerning the purpose of the work relationship and its nature and the activities of the customers and their size, commensurate with the nature of each activity and each customer and the risks that such customers are exposed to.

Article (12): Financial institutions, non-financial institutions and designated occupations must give particular attention to the transactions that take place or are made via electronic means, and develop necessary policies and measures to prevent the application of technological developments in money laundering and terrorism financing. Further, they must apply the due diligence process when indirectly dealing with customers, that it may request for this purpose documents pertaining to the documents requested, create independent communications with the customer or rely on a third-party mediation that applies the due diligence process.

Article (13): Financial institutions, non-financial institutions and designated occupations shall carefully and continuously follow up the transactions made by customers and this shall include the sources of their funds if necessary, to make sure they are in conformity with the available information on their identity, nature of activities and degree of risk.

Article (14)*:

The financial, non-financial institutions and designated professions shall be obliged to take the following actions:

Classify their customers and services according to the level of money laundering and financing of terrorism risks and take adequate measures to address such risks. The classification should be as follows:

1. Classify their customers by at least two degrees and this classification should be reviewed every two years.

2. Risks should be classified based on several elements, including as minimum:

- Type of customer.
- Type of product.
- Type of transaction carried out by the customer.
- The geographical location of customer.

The supervisory and control entities should make special instructions for classifying customers based on the nature of institution and its activity.

Exert particular attention in dealing with the persons and cases with high-risk degrees; the high-risk customers, in which due diligence should be exerted to, are:

First: Persons (Customers) are with high risk if they are:

Politically exposed persons.

Non-resident customers.

The customers linked with States not applying effective measures in combating money laundering and counter-terrorism financing and not adhering to international principles and standards;

The customers who request special banking transactions.

Companies that have nominal or stakeholders or in the form of bearer share.

Second: The following cases are with high risk:

Transactions related to States not applying effective measures in combating money laundering and counter-terrorism financing and not adhering to international principles and standards;

Unusual complex or big transaction or unusual patterns of transactions that have no clear economic or legal justification, and do not fit customer's transactions and account movement, or the transactions that are related to his activity;

Cash transactions whose value is more than ten million Riyals or its equivalent in other currencies;

In all cases, financial institutions, non-financial institutions and designated occupations shall give particular attention with regard to the cases and transactions specified in items (a, b and c) of item (3) of this article by making necessary analysis and study to verify sources of funds and any other necessary measures to verify the nature of transactions.

The financial, non-financial institutions and designated professions shall be obliged to examine and discuss the background of the big and complex transactions and make sure of their purpose, record them and make them available to the competent authorities, where appropriate, and for auditors for a period of at least five years.

Develop suitable system for risk-management to determine whether a potential customer, customer, or real beneficiary is a politically exposed person, including obtaining information directly from the customer or refer to any information available to the public or any other available means, and if they find that he is a PEPs, they should take the following measures:

Get the senior management approval before making or continuing a business relationship with the customer.

Take the necessary measures to know and identify the source of his wealth.

Control the business relation on an ongoing and intensive basis.

Article (15): Financial institutions, non-financial institutions and designated occupations shall apply the due diligence process to identify customers with high risk, and this must be, at least, the following procedures:

- 1- Obtain additional information from the customer;
- 2- Refer to any information available to the public or database on the internet;
- 3- Obtain the approval of the top management for opening the account for the customer;
- 4- Take reasonable measures to identify the source of customers' and true beneficiaries' wealth and funds;

Article (16): Financial institutions shall give particular attention in the following cases:

- 1- When opening an account by correspondence, and they must obtain recommendation or official approval for the signature of the applicant from banks or financial institutions applying the procedures for combating money laundering and terrorism financing;
- 2- When requesting facilities in exchange for deposits;
- 3- When renting safe deposit boxes;
- 4- When depositing cash or traveler's checks in an existing account by a person whose name does not appear in a power of attorney for that account;

Article (17): In case the financial or non-financial institution and designated occupations fails to fulfill the obligations pertaining to the customer identification procedures and exert the due diligence specified in these regulations, it shall not open an account for the customer or undertake a working relationship or conduct any transaction with him, and it should notify when necessary the Unit in accordance with the law and these regulations.

Article (18): The customer and true beneficiary identification procedures may be postponed when there are no money-laundering and terrorism-financing risks, and when postponement is temporary and necessary, provided the financial institution shall complete the identification procedures within a period not exceeding 15 days. In case of failure to complete the identification procedures within this period, the financial institution must not open the account or begin the relationship with the customer or carry out any transaction for him, that it must notify the Unit

of the same promptly and monitor the risk management of this kind of customers during this period.

Article (19): Financial institutions, non-financial institutions and designated occupations shall upgrade the data, information and documents pertaining to the cases specified in article (7) of the Law, particularly for the customers with risk, and in accordance with the following rules:

1- Updating for the data, information and documents specified in article (8) of these Regulations shall take place every five years or when causes for this emerge or when there is uncertainty with the financial or non-financial institution or designated occupation with regard to the correctness or accuracy of the data or information already registered;

2- Updating for specific documents shall be made in accordance with the following:

a-For the accounts opened for (individuals) with an identity or family card or passport, updating must take place every five years, if the term of their validity exceeds this term or before the expiry of their validity in three months.

b-For the accounts opened for (companies and commercial enterprises) under the career practice license or commercial record, updating must take place at the end of the validity of the license or record.

c-For the accounts opened under official letters – from the competent authority - for non-profitable organizations such as charitable associations, updating must take place when the term specified in the law in force expires.

d-For the accounts opened for correspondent banks, updating must take place every three years or whenever the need arises.

Article (20): The financial institutions that are engaged in wire transfers shall take the due diligence process with regard to customer identification, when the sum of the transfer is more than two hundred thousand or its equivalent in other currencies, that the following matters must be considered:

1- Transferor's name, address and account number, as well as his identity card or passport for non Yemenis must be presented, and a copy of the card or passport must be maintained.

2- In case the transferor has no account with the financial institution, the transferor shall be given a special identity number.

3- In case the financial institution issues bulk transfers forwarded in as a single transfer, the financial institution that

issued the transfer must enclose to it the account number of the transferor or his special identity number in case he has no account, on the condition that:

a-The financial institution maintains complete information on the transferor as specified in item (1) of this article;

b- The forwarding financial institution is capable of providing the receiving financial institution with the complete information required within three working days from the receipt of the request for information;

c-The financial institution shall make sure that non-routine transfers are not forwarded within bulk transfers in the cases that increase money-laundering and terrorism-financing risks.

4- The financial institution shall enclose all the data referred to in this article to the transfer.

Article (21): The financial institutions that receive transfers shall take the following actions:

1- They shall make sure they have all the information required for the transferor as mentioned in items (1 and 2) of article (20) of these regulations, particularly transferor's name, address, account number or special identity card, and develop effective systems for detecting any incomplete information.

2- They shall adopt effective measures, depending on the assessment of the risk degree in determining the deal with the transfers with incomplete information on the transferor. These measures include request for the information not completed by the forwarding financial institution. In case the information are not completed, the financial institution shall take actions according to the assessment of the risk degree, including rejection and return of the transfer and informing the Unit of the same.

Article (22): Intermediary financial institutions shall take the following actions:

1- To ensure that the information attached to the transfer are accompanying the transfer when transferring if the financial institution is involved in the execution of the transfer without being a forwarder or recipient of it;

2- If the financial institution fails to keep the information accompanying the transfer for technical causes, it must maintain all the information attached to it whenever it receives them for five years, irrespective of the completion or incompleteness of these information, so that it becomes able to provide the available

information to the receiving financial institution within three working days from request.

3- To notify the receiving institution when causing the transfer, if the intermediary financial institution receives insufficient information on the transferor, that the financial institutions to which the wire transfer is forwarded must reject the transfer if it does not include complete information on the transferor;

Article (23): The commitment contained in articles (20, 21 and 22) of these Regulations shall not apply in the following cases:

1- The transfers that are executed due to transactions of credit and debit cards, provided the transfer resulting from this transaction is attached with the credit or debit card number, except in the cases involving the use of these cards as a means for executing financial transfer;

2- The transfers that take place among financial institutions when the forwarder and beneficiary are financial institutions working for their own benefit;

Article (24):

1- Financial institutions, non-financial institutions and designated occupations must maintain the records, data, documents and information pertaining to local and international transactions for five years at least from the completion of the transaction and for a longer term if requested by the competent authority under proper authorization, that the records must be adequate for re-copying the transactions when used - when necessary - as evidence in criminal trials.

2- The records and documents to be maintained must include the following:

a-The records, data and documents relating to customer's or true beneficiary's identity;

b- The records, data and information on the banking transactions executed for the benefit of a customer or true beneficiary;

c-The records of the correspondence with a customer;

d- The records and documents of the suspicious transactions reported to the Unit;

e-The records and documents of suspicion reports decided by the Compliance Officer in the institution to be maintained;

f-Any other records or data specified by the regulatory and supervisory bodies;

3- Financial institutions, non-financial institutions and designated occupations must maintain the records, data and documents in a safe place to avoid any unauthorized use or change to them, that the method of maintaining shall be characterized by easy retrieval of such records, documents and data so that any information or data required by the competent authority can be provided.

4- Financial institutions, non-financial institutions and designated occupations must enable the competent authorities to have access to all the records and information relating to customers and transactions as specified in the Law and these regulations.

Article (25)*: Financial, non-financial institutions and designated occupations which suspect or have reasonable grounds to suspect that money or property related to or linked to money laundering or they are the proceeds of predicate offenses listed in article (3) of the law or related or linked to terrorism, terrorist acts, terrorism financing or will be used in carrying out terrorist acts or by terrorist organizations or those who finance terrorism, shall notify the Unit immediately of these transactions whether the transaction took place or not, in accordance with the following controls and measures:

The notification shall contain adequate information about the reporter, and the details related to the persons involved in the suspicious transaction, as well as dealers' names, accounts numbers, and the transferors and the persons to whom the money is transferred, value and nature of the transaction, source of the money and reasons for suspicion.

The financial institution must not close any suspicious account before consulting the Unit.

The reporter must send the notification promptly via one of the following means: - electronic system, e-mail, fax, hand or any other means specified by the Unit.

The Unit shall issue the necessary instructions for showing the measures required when submitting the notification and its form.

Nobody undertaking work in financial or non-financial institutions and designated occupations shall disclose directly or indirectly or by any means to a customer or beneficiary or to parties other than the authorities or parties concerned with the application of the provisions of the Law any measure of notification, investigation or inspection taken with regard to suspicious transactions.

Notification shall not involve any penal, civil, administrative or disciplinary responsibility against any natural or legal person, who reports- in good faith- any suspicious transactions, or provides

information or data thereof under the provisions of the Law and these regulations.

Article (26): The commitment of notification under No. (25) of these Regulations shall not apply in the following circumstances:

- a- Lawyers and accountants if they have information relating to their customers and obtain such information when assessing the legal status of a customer or representing him before the courts or giving a legal opinion in a matter related to judicial proceedings, including advice-giving on undertaking or avoiding taking such proceedings, whether the information are obtained before, during or after the completion of the judicial proceedings;
- b- Dealers in precious metals and gems in relation to cash transactions with less than three million Riyals or its equivalent in other currencies;
- c- Real estate agents when engaged in works for the benefit of their customers not related to sale or purchase;

Article (27)*: Financial, non-financial institutions and designated occupations shall develop the systems that ensure the application of the provisions of the Law and these Regulations in accordance with the standards and controls set by the competent control and supervision bodies, including:

Develop internal policies, procedures and controls to combat money laundering and counter-terrorism financing and apply them to existing customers and new customers; and inform and train their employees on them and ensure their application. The board of directors, director general, owner, or who has been authorized in the financial and non-financial institutions and designated professions is responsible for issuing, applying and developing these internal policies, procedures and controls.

Develop systems of control , commitment , due diligence procedures, keeping records , reveal unusual and suspicious transactions, and comply with notification;

Create a compliance unit at the level of the head office and branches to be responsible for AML/CFT procedures, report and contact the Unit. Regarding the individual institutions, the owner or his agent should directly do that.

Appoint qualified and honest compliance officers at the level of the head office and liaison officers at the level of branches;

Enable the compliance officers to gain access to customer identification data and the other information obtained from the due diligence process, and to the transaction record and the other relevant information;

Create an independent internal audit job to test compliance with these policies, measures and controls, including testing compliance through testing samples;

Develop an on-going program to train employees includes the definition of laws and regulations, instructions, and international conventions related to AML/CFT, especially in respect to the requirements of customer due diligence , notification of suspicious transactions , the information relating to tactics, techniques and trends in combating money laundering and counter-terrorism financing; and to acknowledge employees of the criminal and civil responsibility of each employee in the case of violating the laws, regulations and instructions of anti-money laundering and counter- terrorism financing, and adopting plans, programs and budgets for training and qualifying employees in relation to AML/CFT in accordance to their size and activity, and in coordination with the control and supervision bodies.

Chapter Four

Duties of Regulatory and supervisory Bodies

Article (28): No final license for establishing a bank in Yemen shall be granted, unless the publicity and registration procedures are completed in accordance with the laws in force, including verification of physical presence, and that it becomes subject to effective control regulations. Also, a branch for a foreign bank may not be licensed unless its main office has physical presence in the state where it is registered and subjects to effective control.

Article (29): The regulatory and supervisory bodies must verify the compliance by all financial institutions, non-financial institutions and designated occupations that are not subject to their supervision or regulation with their obligations under the Law and these regulations.

Article (30): The regulatory and supervisory bodies must adopt the necessary measures to determine disciplined standards governing the ownership, management and operation of the financial institutions in accordance with the laws that organize the establishment and management of such institutions to ensure non-exploitation of these institutions in money laundering and terrorism financing, including the providing for the availability of validity and fairness to all the shareholders, board members and senior employees of such institutions. Also, these bodies must verify the license and registration of the financial institutions, non-financial institutions and designated occupations, and their appropriate organization and subjection to risk-based supervision.

Article (30) bis **: The Control and Supervision Entities shall:

Provide periodical comprehensive statistics for their efforts in combating money laundering and counter- terrorism financing in accordance with the AML/CFT requirements and provide the Committee with these statistics, and oblige financial and non-financial institutions and designated professions to provide statistics related to their work in this field and review AML/CFT regimes.

Review the effectiveness of their regimes in AML/CFT orderly in light of what statistics reveal.

Article (31)*:

As soon as they are issued, the Ministry of Foreign Affairs shall provide the Public Prosecutor with the lists issued by the Committee on al Qaeda and Taliban Sanctions formed under the Security Council Resolution No. (1267) of 1999 and the subsequent resolutions thereto concerning the identification of persons and entities.

Immediately upon receiving the lists from the Ministry of Foreign Affairs, the Public Prosecutor shall issue the necessary decisions to freeze the funds, assets and property of the persons and entities identified by the Committee formed under the Security Council Resolution No. (1267) of 1999 and the subsequent resolutions thereto, including the funds derived from other funds or assets or generated thereby and are owned or controlled directly or indirectly by such persons or persons acting on their behalf or at their instructions, whether such funds are with financial or non-financial institutions or designated professions, or with other natural or legal persons, taking into account the rights of bona fide third parties.

The Public Prosecutor should circulate such decisions of freezing to the control and supervision bodies in the next day of issuance, and the control and supervision bodies shall circulate these decisions upon receiving to the financial and non-financial institutions and designated professions and natural and legal persons.

The financial and non-financial institutions, designated professions and natural and legal persons must freeze such funds, assets or other property immediately without prior notice to the persons or entities subject of the Freezing Orders, and inform the Unit of the frozen funds, assets and property in accordance with the provisions of this Article (17) of the law and the provisions of this article.

The Control and Supervision Authorities shall ensure compliance by the financial and non-financial institutions with the implementation of the decisions of the Public Prosecutor issued in accordance with the provisions of Paragraph (b) of the law and this Article.

* Modified By The Republican Decree No. (2)/2014.

** Added By The Republican Decree No. (2)/2014.

Those who incur damage by the Freezing Orders or seizure decisions referred to herein may use all available diplomatic, legal or judicial means to revoke the freezing or seizure or to remove their names from the list in line with the international obligations of the Republic. Persons who have been inadvertently affected by the freezing or seizure procedures without being the persons or entities designated in those lists may use those available means, including:

Submit a grievance to the Minister of Foreign Affairs requesting revoking the freezing or removing the name or correcting it in accordance with the mechanisms set by the Security Council Resolutions.

File a case in the court to revoke the freezing according to the law and the provisions of this Regulation.

The financial and non-financial institutions, designated professions shall verify that the persons and entities specified their names in the consolidated list and other lists are the intended and actually concerned. In the case of verifying that the persons and entities identified are not the intended actually, it shall so inform the Unit to take the necessary measures to revoke the freezing.

If the accounts frozen generate revenues or profits according to the nature of the account, freezing shall not prevent these accounts from such revenues, that the revenues or profits shall be subjected to freezing in accordance with the provisions of this article.

Article (32)*:

Those who incur damage by the Public Prosecutor decisions to freeze the funds, assets and property of individuals and entities designated by the Committee established under the UN Security Council Resolution 1267 (1999) and subsequent resolutions under the provisions of Article (17) paragraph (b) of the Law, may apply to the Public Prosecutor requesting to disburse from the frozen accounts to meet the expenses of any of the following humanitarian cases :

Cover basic expenses including expenses for food, clothing, medicine, rental and meeting payments on debt.

Pay the expenses owed to the State such as taxes, Zakkat and others.

Pay the necessary expenses paid over reasonable professional fees and legal services or wages and service charges for regular conservation of the frozen funds, that the Public Prosecutor shall submit the request to the Minister of Foreign Affairs to take the necessary actions in accordance with the mechanisms specified in the Security Council resolutions.

Article (32) bis **:

The competent authorities in charge of combating terrorism shall prepare lists of the names of persons and entities that commit or attempt to commit terrorist acts, or participate in or facilitate the commission of such acts under the laws in force and the UN Security Council Resolution No. (1373) of 2001 and the subsequent resolutions thereto and send them to the Public Prosecutor together with the documents supporting that.

The Public Prosecutor shall issue decisions to freeze the funds, property and assets of persons and entities whose names are on the lists in accordance with Paragraph (a) of this Article, including the funds derived from other funds or assets or generated thereby and owned or controlled, directly or indirectly, by such persons and entities or by persons acting on their behalf or at their instructions, and whether such funds are with financial or non-financial institutions, designated professions or other natural or legal persons, subject to the rights of bona fide third parties. The Control and Supervision Authorities shall circulate all such decisions to the financial or non-financial institutions, designated professions and other natural and legal persons.

The Public Prosecutor should circulate such decisions of freezing to the control and supervision authorities in the next day of issuance, and the control and supervision authorities shall circulate these decisions upon receiving to the financial and non-financial institutions, designated professions and natural and legal persons.

The financial and non-financial institutions, designated professions and natural and legal persons must freeze such funds, assets or other property immediately without prior notice to the persons or entities subject of the Freezing Orders, and inform the Unit of the funds, assets and property frozen in accordance with the provisions of this Article.

The Control and Supervision Authorities shall ensure compliance by the financial and non-financial institutions with the implementation of the decisions of the Public Prosecutor issued in accordance with the provisions of Paragraph (b) of this Article.

Those who incur damage by the Freezing Orders or seizure decisions referred to herein may appeal the decision of the Public Prosecutor before the competent court within 30 days from the date they become aware of such decision, and the court's order to appeal is regarded final.

If the Court issued a decision to revoke the freezing, the Public Prosecutor shall take the legal procedures to revoke the freezing in no later than one week from the date of issuance of the court's decision and inform the competent authorities of that.

Article 32 bis (1) **::

The Public Prosecutor shall directly or through the diplomatic channels receive requests for freezing submitted by any country relating to the freezing of funds, property or other assets of persons residing on the territory of the Republic and these requests should be supported by texts. The Public Prosecutor shall examine such requests and documents and decide thereon. In case of approval, he shall issue an order to freeze the funds, property or assets.

The Public Prosecutor should inform the State submitted the request of freezing to accept or reject the freezing's decision and the actions taken thereon.

Those who incur damage by the freezing orders or seizure decisions referred to herein may appeal the decision of the Public Prosecutor before the competent court within 30 days from the date they became aware of such decision.

The provisions of paragraphs (c , d , e) of Article 17 bis of the law shall be applied on the obligations of financial and non-financial institutions and designated professions and control and supervision entities of the implementation of freezing decision issued under paragraph (a) of this article and the appeal of it.

The Public Prosecutor receives from the State the request of revoking the freezing, either directly or through diplomatic channels and will study the request and the documents supporting it and inform the State of accepting or rejecting the request and the actions taken.

Article (33): The body concerned with supervising non-profit organizations under the relevant laws in force shall exercise effective control to prevent misusing such organizations for money laundering and terrorism financing purposes, and issue the regulations and instructions governing that.

Article (34):

1- No natural or legal person shall exercise the profession of money or value transferring without a license from the Central Bank.

2- The Central Bank shall maintain a list of the natural and legal persons licensed to provide money or value transfer services, and update it continuously, and monitor and supervise their compliance with the provisions of the Law and these Regulations when exercising their activity, that the natural and legal persons licensed to provide money or value transfer services shall maintain a list of the names of their agents and enable the competent authorities to have access to them.

Article (35): When entering or leaving the Republic, each person shall disclose, upon request, to the competent customs authorities the cash or any circulatable instrument with him, whether in national or in foreign currency, and the precious metals and gems, if their value is more than three million Riyals or its equivalent in other currencies. Disclosure must be in conformity with the fact and according to the form prepared for that by the Customs Authority after coordination with the Unit. The disclosure form must include the following data:

- 1- Traveler's name and personal data
- 2- Data in his passport
- 3- Data on his place of residence inside the Republic and outside it, if any
- 4- Purpose for coming to the state if not residing in it
- 5- Data, value, description and kind of his cash

The employees of the Customs Authority shall be responsible for receiving the disclosure form, that these forms shall be registered in special records at the Customs Authority and be sent to the Unit to be registered in its database and take necessary actions.

Article (36): The competent customs authorities shall seize the cash and financial instruments referred to in article (35) above in accordance with the provisions of the Customs Law in force if not disclosed or disclosed contrary to the provisions of article (35) above, or when there is suspicion of money laundering or terrorism financing, that they should then promptly notify the Unit of the same. They should also maintain information and statistics on the amount of the cash or the circulatable financial instruments or the precious metals and gems not disclosed or discovered, and also data on the identity of holders, that these information shall be access-able by the Unit. Also, the competent customs authorities shall request information from holders on sources and the intended use.

Chapter Five

National Committee for Combating Money Laundering and Terrorism Financing

Article (37) **: A Committee called the (National Committee on Anti-Money Laundering and Counter-Terrorism Financing) shall be established under the provisions of the Law and this Regulation, and has a legal personality and financial independence. The Committee belongs to the Prime Minister and shall be based in the capital, Sana'a.

The Committee shall be formed by virtue of a Prime Minister's Decree based on a proposal from the Minister of Finance; and shall be

made up of one representative no less than Director General or equivalent from the following bodies based on their nominations:

Ministry of Finance	Chairman of the Committee
Central Bank of Yemen	Vice-chairman
Ministry of Justice	Member
Ministry of Interior	Member
Ministry of Foreign Affairs	Member
Ministry of Industry and Trade	Member
Ministry of Social Affairs and Labor	Member
Ministry of Communications and Information Technology	Member
Political Security Agency	Member
National Security Agency	Member
The Central Organization for Control and Auditing.	Member
Public Prosecution	Member
Supreme National Authority for Combating Corruption.	Member
General Authority for Investment	Member
General Authority for Land, Survey and Urban Planning	Member
Customs Authority	Member
The Financial Information Unit	Member
Yemen Banks Association	Member
The Federation of Yemen Chambers of Commerce and Industry	Member

The Committee shall choose one of its members to be its rapporteur.

The Committee may seek the assistance of experts and technical specialists.

At the decision of Minister of Finance, the Committee shall have an executive Administration consisting of a number of employees and subject to the Chairman's supervision and guidance, that the internal regulations of the Committee shall determine its structure and the functions of its members, as well as the formation of the executive administration, and determination of its tasks.

Article (38) *: The Committee shall practice the following functions and tasks:

Develop a national anti-money laundering and counter-terrorism financing strategy.

Propose policies on anti-money laundering and counter-terrorism financing and submitting them to the Cabinet for approval.

Study and follow up international developments in the field of anti-money laundering and counter-terrorism financing and make recommendations on the development of guidelines, regulations and procedures issued by the Control and Supervision bodies in the Republic and propose legislative amendments in line with such developments.

Raise awareness on the risks of money laundering and financing of terrorism.

Coordinate the efforts of the bodies represented in the Committee and find a suitable mechanism for the exchange of information among them.

Organize and hold seminars and workshops related to anti-money laundering and terrorism financing

Represent the Republic in the international events and participate in meetings and conferences on anti-money laundering and counter-terrorism financing.

Develop and adopt the by-laws of the Committee's work.

Discuss the Committee's budget and submit it to the competent authorities for incorporation in the public budget of the State.

Any other functions stated in the Law and this Regulation.

Article (38) bis **::

f) It is not permitted to raise the criminal, civil or administrative case against the Chairman of the Committee or any of its members or employees or the head of the FIU or any of its members or employees or take any legal action against them due to carrying out the tasks assigned to them under the law.

Chapter Six

Unit for Collection of Financial Information

Article (39):

1- The Unit for Collection of Financial Information shall be formed at the decision of the Prime Minister upon the proposal of the Governor, and it shall consist of a chairman and members with expertise as contained in the Law, and it shall be staffed with full-time necessary administrative workers.

* Modified By The Republican Decree No. (2)/2014.

** Added By The Republican Decree No. (2)/2014.

2- Compliance officers in the financial institutions, non-financial institutions and designated occupations, and compliance evaluation officers in the regulatory and supervisory bodies shall be liaison officers with the Unit.

3- The Unit shall develop internal regulations for its work covering the organizational structure and administrative and operational systems, and present them to the Cabinet for approval.

Article (40) *: The Unit shall be in charge of the following functions:

Receive and analyze notifications received from financial and non-financial institutions, and designated professions, and the Supervisory and Control bodies on the suspicious transactions that include money laundering or financing of terrorism or any predicate offense associated therewith. Where appropriate, the Unit will forward the result of analysis of such notifications to the concerned authorities to take action.

Establish a database for the information in possession and make it available to the public prosecution in accordance with the provisions of the Criminal Procedure Law, and all the notifications and information contained in the database should be recorded, especially the following:

Notification number and time and date of receiving by the Unit.

A summary of the notification data includes the suspected process and the reasons and causes of suspicion.

All the information and analysis of actions taken regarding the disposition of notification.

What comes out of the judicial decisions and judgments in this regard.

Request any additional information it deems useful to perform its functions if such information is linked to any information previously received during the performance of its functions or at the request received from counterpart units in other countries. Those having the duty of notification must provide the Unit with such information on the form approved by the Unit within a period not exceeding one week from the date of request unless the Unit specifies another period. In case of emergency, the Unit may specify a shorter period of time according to the following controls:

If the information required from the investigation and trial bodies relating to money laundering and terrorism financing offenses is displayed in front of it.

If the required information entails precautionary measures and procedures for seizing and freezing funds and property resulted from money laundering and financing of terrorism offense.

If the required information relating to freezing funds of persons and entities whose names are stated in the consolidated list or other lists issued by the UN Security Council.

If the required information entails taking urgent measures to avoid a damage which is difficult to rectify.

Develop notification forms for the transactions suspected of being involving money-laundering or terrorism-financing or that represent the proceeds of predicate offenses, covering all the data that help the Unit carry out its work of data collection, analysis and registration in its database, that a notification form must include the following data:

Statement of the suspicious transaction and its parties, discovery conditions and current condition;

Statement of the amounts under the suspicious transaction;

Causes and reasons for suspicion on which the compliance officer or the owner of individual institution based on to combat money laundering and counter-terrorism financing at the financial or non-financial institution or designated profession and his signature;

However, the form must be updated when necessary.

Inform the public prosecution of the outcomes of the notifications analysis, when it has serious indications of the existence of suspicion of money laundering, financing of terrorism or any predicate offenses associated therewith, together with the necessary conclusions.

Request information from the following entities regarding the notifications received when the Unit deems it useful to perform its functions, or at the request of a counterpart unit:

Control and Supervision Entities.

Any other governmental bodies.

The entities referred to above shall provide information to the Unit within a period not exceeding two weeks from the date of request.

Notify the Committee and the Supervisory and Control Entities on any breach of the provisions of the Law and this Regulation by financial and non-financial institutions and designated professions that are subject to the provisions of the Law and this Regulation.

Publish periodical reports on its activities containing in particular statistical data and analytical studies in the field of anti-money laundering and counter-terrorism financing.

Make field visits to the entities and institutions covered by the Law and this Regulation to ensure compliance with the provisions of the Law and this Regulation.

Participate in international and regional seminars, workshops, conferences and meetings related to its competences.

Any other functions stated in the Law and this Regulation.

Article (41):

1- The Unit shall have, at its discretion or at the request of counterpart units in other states, the right to exchange information with them when they are bound to rules on confidentiality and the requirement of reciprocity, and it shall use such information only for the purposes relating to combating money-laundering and terrorism-financing provided it gets consent from the providers of such information.

2- For the purposes of the execution of item (1) of this article, the Unit may conclude agreements of understanding with foreign counterpart units performing similar functions and subjecting to similar commitments on confidentiality.

Article (42): The Unit shall develop the regulations, rules and measures pertaining to its internal work, including the rules that ensure the confidentiality of the information in the database, and in particular:

1- Determine levels of safety and confidentiality;

2- Determine the members and workers of the Unit who are authorized to use the database and have access to the information and data in it;

3- Develop systems for document and data receipt, registration and preservation;

Article (43): The Chairman, members and workers of the unit shall maintain the confidentiality of any information received by them by virtue of their work and even after they leave work at the Unit, that they shall use such information only in the purposes under the Law and these regulations.

Chapter Seven

International Cooperation, Exchange of Information and Extradition

Article (44) *: The Public Prosecution shall receive, directly or through diplomatic channels, reports from any country that a person resident or existing in the Republic has committed any offense stipulated in the Law and this Regulation; and shall investigate such reports in accordance with the laws in force.

Article (45) *:

Subject to the provisions of bilateral or multilateral agreements on mutual legal assistance in which the Republic is a party, confiscation

requests, relating in full or in part to a crime of money laundering or terrorism financing, shall be submitted to the competent judicial authority through diplomatic channels, in which those requests should include the following:

Name of the authority requesting the legal assistance.

Summary of the facts relevant to the subject of the request.

Explanation of the kind of technical assistance required and the purpose of request.

Identify the person concerned identification, his place of residence and nationality.

Types and forms of legal assistance requests include the following:

Letters rogatory of the counterpart authority in hearing the statements of witnesses and experts.

Declaring the judicial documents from counterpart authorities.

Providing the original copies or certified true copies of relevant documents and records, including banking or financial records or companies records or business processes.

Detect or trace criminal proceeds, funds, property, instruments or any other things for the purpose of evidence or confiscation, and to take precautionary measures, including freezing and seizure.

Take actions of inspection and control.

Any other form of legal assistance but not inconsistent with the laws in force.

It is allowed to request additional information from the State requesting the technical assistance for the purpose of executing the request, and a request for mutual legal assistance may be refused only if:

It was not made by a competent authority according to the legislation of the requesting country, or if it was not transmitted in accordance with laws in force or its contents are in substantial non-conformity with paragraph (1) of this article.

Its execution is likely to prejudice the law and order, sovereignty, security, public order or other essential interests of the Republic.

The offence to which it relates is the subject of criminal proceedings or has already been the subject of a final judgment in the territory of the Republic.

There are substantial grounds for believing that the measure or order being sought is directed at the person in question solely on account of that person's race, religion, nationality, ethnic origin, political opinions, gender or status;

If the offence referred to in the request is not provided for under the legislation, or does not have features in common with an offence provided for under the legislation in the laws in force.

If the laws in force do not permit to take the measures requested, or any other measures having similar effects, or they may not be used with respect to the offence referred to in the request;

If the decision whose execution is being requested is not enforceable under the laws in force.

If there is no sufficient protection with respect to the rights of the defendant.

In case of refusal, the competent authority of the Republic shall promptly inform the foreign competent authority of the grounds for refusal to execute the request.

Article (46) *:

Subject to the provisions of bilateral or multilateral agreements on mutual legal assistance in which the Republic is a party, confiscation requests, relating in full or in part to a crime of money laundering or terrorism financing, shall be submitted to the competent judicial authority through diplomatic channels.

Confiscation shall only be made under a final judicial judgment.

The request for mutual assistance shall include, in addition to the information stipulated in the paragraph of Article (34) of the Law, an official copy of the final judgment issued for confiscation, and additional information may be requested from the state requesting legal assistance for the purpose of the execution of the judgment.

In all cases, the State requesting the confiscation shall not be given such funds or their proceeds, unless a mutual agreement is signed on sharing such funds.

Article (47): The state requesting the confiscation shall have no right to refer the information or evidence that it was provided with to a third party in accordance with the above two articles or use them in investigations or any other kind of prosecutions and judicial proceedings other than those mentioned in the request.

Article (48): Non Yemenis convicted of any of the crimes set forth in the Law and the laws in force and the international conventions ratified by the Republic may be extradited, in accordance with the principle of reciprocity, and after securing the consent of the Prosecutor.

Chapter Eight

Procedures of Investigation and Trial

Article (49): The Prosecution shall assume the power to undertake the procedures of investigations and institute criminal proceedings before the court in crimes of money-laundering or terrorism-financing or related crimes as specified in the Law.

Article (50): Law enforcement officers and prosecutors shall have the right to use the power and authority prescribed in the Code of Criminal Procedures for the purpose of detecting, intercepting and tracking proceeds of crime.

Article (51) *: The Public Prosecution may, during an investigation or at the request of the Unit or the competent authority, issue decisions or orders of precautionary seizure or freezing of the following funds or assets:

Laundered property.

The proceeds and the tools that have been used or intended for use in the money laundering and the predicate offenses.

Property earned, used, intended to be used or allocated for use in terrorist acts, terrorism financing or terrorist organizations.

Property equivalent in value of the funds or assets contained in Paragraph s (a, b & c) of this Article in order to prevent the trading in, the transfer or disposition thereof, subject to the rights of bona fide third parties.

Chapter Nine

Final Provisions

Article (52): The provisions herein shall apply to:

1-The financial institutions, non-financial institutions and designated occupations set forth in article (2) of the Law;

2-Branches of the foreign financial institutions, non-financial institutions and designated occupations in the Republic, whose head offices are abroad;

Article (53): The financial institutions, non-financial institutions and designated occupations, that are headquartered in the Republic and have subsidiaries abroad, shall make them comply with the measures and procedures for combating money-laundering and terrorism-financing stipulated in the Law and the rules set forth in these Regulations to the extent permitted by the domestic laws of the state in which these

subsidiaries are located. In case different requirements for combating money-laundering and terrorism-financing between the Republic and the host state, these subsidiaries must adhere to the most stringent requirements.

Also, the financial institutions, non-financial institutions and designated occupations must give particular attention to ensure that they comply with the provisions contained in the above item with regard to their subsidiaries operating in the states not applying the FATF Recommendations or not applying them efficiently.

Article (54): The financial institutions that have subsidiaries abroad shall inform the Unit when a subsidiary of them cannot execute appropriate procedures to combat money-laundering and terrorism-financing as a result of the ban on the laws, regulations or other measures in force in the host state.

Article (55) *: The Control and Supervision Authorities shall have the right to impose appropriate penalties and gradually in case the financial and non-financial institutions and designated professions are in violation of the duties set forth in these Regulations, including warning, alert and non-renewal of license. In case the financial and non-financial institutions and designated professions are in violation of their duties set forth in the Law, the violation shall be referred to the Public Prosecution to apply the penalties set out in the Law.

Article (56): The members of the Unit shall be as judicial officers when carrying out their duties.

Article (57): Financial or banking secrecy shall not be invoked in the face of the Unit or the authorities concerned with investigation or trial when they carry out their duties regarding the implementation of the provisions of the Law.

Article (58): The Committee shall have an independent budget, included within the general budget of the State.

Article (59): The Unit shall have an independent budget, included within the budget of the Central Bank.

Article (60): The Republican Resolution No. (89) for 2006 on the Regulations of the Anti-Money Laundering Act No. (35) for 2003.

Article (61): This resolution shall come into force from the date of issuance, and shall be promulgated in the Official Gazette.

Issued in the Presidency of the Republic – Sana'a

On 14 /12 / 2010

Noaman Taher al-Suhaibi
Minister of Finance

Dr. Ali Mohammed Mujawar
Prime Minister

Ali Abdullah Saleh
President of the Republic