

The Anti-Money Laundering Law
Issued by law no. (80) for 2002 *

Article (1)

In applying the provisions of this Law, the following words and phrases shall have the meanings ascribed thereto:

a) Funds:

The national currency, foreign currencies, securities, commercial papers, any valuable items, whether real estate or tangible or intangible movable property, or any rights relating thereto, and legal documents and deeds that prove ownership of these funds or interest therein in any form including digital and electronic forms.

b) Money Laundering:

Any of the acts stipulated in Article (2) of this law.

c) Predicate Offence

Any act that is considered a felony or misdemeanor as per Egyptian laws, whether such act has been committed inside Egypt or abroad provided that it is punishable in both countries.

d) Proceeds

Funds directly or indirectly resulted or yielded from committing any predicate offence.

e) The Unit:

Money Laundering and Terrorist Financing Combating Unit.

* As amended per law no. 78 for 2003, law no. 181 for 2008, and Presidential Decree-Law no. 36 for 2014.

f) Financial Institutions:

1. Banks operating in Egypt, their branches abroad, and branches of foreign banks operating in Egypt;
2. Foreign exchange companies and other entities licensed to deal in foreign currencies;
3. Entities engaged in money transmission activities;
4. Entities engaged in securities;
5. Entities engaged in receiving money;
6. The National Post Authority; with respect to the financial services it offers;
7. Entities conducting mortgage activities and entities dealing in Real estate securitization ;
8. Entities undertaking financial leasing activities,
9. Entities engaged in factoring activities;
10. Entities undertaking any type of insurance activities, private insurance funds, and insurance brokerage activities,
11. Entities engaged in central securities depository and registry, and ;
12. Any other entity that conducts as a profession, for, or on behalf of, a customer, one or more of the activities licensed to financial institutions stipulated in section (f) of this Article;
13. Other entities to be specified by a Prime Minister Decree, determining their obligations and the entities responsible for supervising thereof;

This shall be applicable whether the activities prescribed in section (f) of this Article are undertaken by legal or natural persons.

g) Non-financial professions and businesses:

- 1) Real estate agents – when they engage in transactions for their clients concerning the buying and selling of real estate.
- 2) Dealers in precious metals and dealers in precious stones – when they engage in any cash transaction with their customers equal to, or above, the applicable threshold specified in the Executive Regulations.
- 3) Lawyers and accountants – whether they practice their profession as sole practitioners or partners or employed professionals within professional firms when they prepare for, or carry out, transactions for their clients concerning the following activities:
 - a. Buying and selling of real estate;
 - b. Managing of client money, securities or other assets;
 - c. Management of bank, saving or securities accounts;
 - d. Organization of contributions for the creation, operation or management of companies;

- e. Creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
- 4) Casinos – this includes internet and ship-based casinos, when their customers engage in financial transactions equal to, or above, the threshold specified in the Executive Regulations.
- 5) Other professions and businesses to be specified by a Prime Minister Decree, determining their obligations and the entities responsible for supervising thereof.

The Executive Regulations shall determine the controls applicable to these businesses and professions.

h) Bearer Negotiable Instruments

They are monetary instruments in bearer form, and any other negotiable instruments, such as any form of cheques, promissory notes and money orders that are either in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery, and instruments that are signed, but with the payee's name omitted.

i) The Competent Minister:

The Prime Minister or any minister authorized thereby.

Article (2)¹

A person shall be deemed a perpetrator of a money laundering offence, if he/she knows that the funds involved is the proceeds of a predicate offence and willfully does any of the following acts:

- 1) The conversion or transfer of proceeds, for the purpose of concealing the funds, disguising their true nature, source, location, ownership, any interest therein, altering their reality, or preventing the discovery thereof or impeding the identification of the perpetrator of the predicate offence.
- 2) Acquiring, holding, disposing of, managing, keeping, exchanging, depositing, guaranteeing, investing the proceeds, or tampering with their value, or concealing or disguising the true nature of these proceeds, their

¹ Replaced by Presidential Decree-Law No. 36 for 2014.

source, location, disposal, movement or ownership or rights associated therewith.

Article (3)

An independent unit with a special nature shall be established at the Central Bank of Egypt to combat money laundering and terrorist financing, wherein the concerned entities shall be represented. The Unit shall assume the responsibilities prescribed under this Law. It shall be provided with a sufficient number of experts from the judicial authority and specialists in the fields relating to the application of the provisions of this Law, and staffed with qualified and trained employees.

The President of the Republic shall issue a decree on the formation of this Unit, its management system, statutes, without being restricted by any rules or by-laws applicable to the government, public sector, and the public enterprise sector.

Article (4)

The Unit shall be responsible for receiving reports from financial institutions and non-financial professions and businesses concerning transactions suspected of being proceeds or involving money laundering or terrorist financing, or attempts of conducting such transactions*.

The Unit shall establish a database for all available information, and may make such information available to judicial authorities and any other entities responsible for the application of this Law; and shall exchange such information and coordinate with public control entities in the State and with competent authorities in foreign countries and international organizations, in accordance with the provisions of international treaties to which Egypt is a party, or according to the principle of reciprocity.

Article (5)²

The Unit shall undertake investigation and examination of reports and information received thereby concerning transactions suspected of being

²The last paragraph was replaced by virtue of Law No. 181 for 2008.

proceeds or involving money laundering or terrorist financing, and shall inform the public prosecution of the indications revealed by investigation as to the commitment of any of the offences stipulated in this Law.

Provisions of Articles 208 (bis) a, 208 (bis) b, 208 (bis) c, and 208 (bis) d, of the Code of Criminal Procedure shall apply to money laundering and terrorist financing offences. The Unit may request the investigation authorities to take provisional measures as stated in the aforementioned articles.

Provisions of the last paragraph of Article (98) of Law No. 88 for 2003 Promulgating the Law on the Central Bank, the Banking Sector and Money, shall apply to money laundering, terrorism and terrorist financing offences.

Article (6)

Personnel of the Unit to be designated by a Minister of Justice decree, upon the request of the competent minister, shall have the capacity of law enforcement officers with respect to the offences stipulated in this Law as relating to their job duties.

Article (7)

Entities responsible for supervising financial institutions and non-financial professions and businesses shall establish and provide adequate means for ensuring that such financial institutions and non-financial professions and businesses comply with the systems and rules prescribed by law for combating money laundering or terrorist financing, including the reporting of transactions suspected of being proceeds or involving money laundering or terrorist financing. Such entities, financial institutions, and non-financial professions and businesses shall provide the Unit with the data, information, and statistics necessary for carrying out its duties, in accordance with the rules and procedures to be set by the Unit.

The Unit shall establish and provide adequate means for ensuring that all financial institutions and non-financial professions and businesses – that are not subject to the supervision of the entities stated above in the first paragraph of this Article with relation to combating money laundering and terrorist financing - comply with the controls and rules set in this regard. The Unit shall also set forth rules and regulations relating to combating money laundering and terrorist financing.

The Unit shall follow up the entities, financial institutions, and non-financial professions and businesses indicated in this Article with respect to the compliance stipulated in the first paragraph of this Article.

And in all cases, competent authorities shall report to the Unit any available information regarding money laundering and terrorist financing offences, actions taken relating thereto and the results thereof.

All shall be done as per the manner prescribed in the Executive Regulations.

Article (8)

Financial institutions and non financial professions and businesses shall promptly report to the Unit any transactions suspected of being proceeds or involving money laundering or terrorist financing, as well as attempts of conducting such transactions regardless of their value, and shall establish systems adequate for applying customer due diligence and other rules and procedures relating to combating money laundering and terrorist finance to be set by the Unit.

All shall be done as per the manner prescribed in the Executive Regulations.

Article (9)

Financial institutions, and non-financial professions and businesses shall maintain records and documents for domestic or international financial transactions that contain sufficient data for identifying such transactions; keep such records and documents, along with data records of customers and beneficial owners of natural and legal persons for a period not less than five years from the date of completing the transaction with them, or from the date of closing the account, as the case may be; unless the Unit or investigation authorities request them to maintain such records and documents for a longer period. Financial institutions and non-financial professions and businesses shall update such data periodically and provide access to such records and documents to judicial authorities upon request.

Financial institutions and non-financial professions and businesses may maintain microfilm copies instead of originals for the period referred to, and such copies shall have the authenticity of the originals in matters relating to proof, if prepared, maintained and retrieved in accordance with the rules to be issued by the Unit

Article (10)

Criminal and civil liability shall not apply to any person who, in good faith, fulfils the obligation of reporting to the Unit any suspicious transactions subject to the provisions of this Law, or provides information or data to the Unit in violation of the rules imposed to ensure their secrecy.

The controls to be followed in this regard shall be set by the Executive Regulations.

Article (11)

It shall be prohibited to disclose to a customer, beneficiary or any person other than the authorities and entities responsible for enforcing the provisions of this Law any of the reporting, investigation or examination procedures taken with regard to financial transactions suspected of being proceeds or involving money laundering or terrorist financing, or any information relating thereto.

Article (12)

Without prejudice to Article (116) of Law No. 88 for 2003 Promulgating the Law on the Central Bank, the Banking Sector and Money, any passenger, upon entering into or departing from the country, shall truly declare to the customs authorities any amounts he/she carries of foreign currencies and bearer negotiable instruments. Declaration shall be made in accordance with the rules and procedures to be set out in the Executive Regulations.

Personnel of Customs Authorities, with Law enforcement capacity, may, in case of failure to declare or provision of false information, question the violator about the source of such possessions of foreign currencies and bearer negotiable instruments referred to and the purposes of their use.

Such authorities shall take measures for seizing the currencies and bearer negotiable instruments in the cases stipulated in the previous paragraph, and also where there are serious indications of committing a money laundering or terrorist financing offence. Such authorities shall file reports concerning such cases to the competent authorities to take the necessary action in this regard.

Provisions of Article (126) of the law on the Central Bank, Banking System, and Money mentioned above shall be applicable in this regard.

Article (13)

Without prejudice to any severer penalty stipulated under the Penal Code or any other law, offences stated in the following Articles shall be punishable by the penalties stipulated therein.

Article (14)

Any person who commits, or attempts to commit, the money laundering offence stipulated in Article (2) of this Law shall be imprisoned for a period not exceeding seven years, and fined a sum twice the amount of money subject of the offence.

The verdict shall in all cases ordain confiscation of the seized funds, or an additional fine equivalent to the value thereof, where such funds cannot be seized, or in case of disposal thereof to bona fide third parties. This offence shall be excluded from application of the provisions of paragraph two of Article (32) of the Penal Code.

Article (15)

Any person violating any of the provisions of Articles (8, 9 and 11) of this Law shall be penalized by jail and fined an amount not less than one hundred thousand Egyptian pounds and not more than five hundred thousand Egyptian pounds, or either penalties.

Article (16)

Where the offence is committed by a legal person, the natural person responsible for actual management of this legal person shall be penalized by the same penalties stipulated for the acts committed in violation of the provisions of this Law, if knowledge thereof is established, and the offence has been committed as a result of the violation of the job duties of such person.

The legal person shall be fined an amount not less than one hundred thousand Egyptian pounds and not more than five million Egyptian pounds, and shall be jointly liable for the payment of any financial penalties and damages if the offence committed in violation of this law has been perpetrated by one of its staff in its name and interest. The court may order the suspension of the activity of the legal person for a specified period or

cancellation of the activity license. The court shall ordain publication of the verdict at the expense of the legal person in two daily widespread newspapers.

Article (16) bis

In cases when financial institutions and non-financial professions and businesses - referred to in the second paragraph of Article (7) of this Law - violate any of the provisions of this Law or decisions, rules, or regulations issued for the application of its provisions, the Unit may take any of the following procedures:

- 1) Issue a warning;
- 2) Bar the violating entity from conducting certain businesses; or
- 3) Request the licensing authority of the violating entity to bar it from carrying out its activities for a definite period or to cancel the license.

Article (17)

In case of multiple perpetrators in a money laundering offence, where one of the perpetrators reports to any of the authorities concerned with enquiry or investigation on the offence and the other perpetrators, before their first knowledge thereof, or after knowledge but such a report leads to the arrest of the other perpetrators or seizure of funds subject of the offence, the court, based upon its discretion as to fulfillment of the said conditions, shall rule that the reporting perpetrator be exempted from the penalties of imprisonment and fine stipulated in the first paragraph of Article (14) of this Law, but not from any of the ancillary penalties stipulated in the second paragraph of the same Article.

Article (18)

The Egyptian judicial authorities shall cooperate with foreign judicial authorities in the field of money laundering and terrorist financing offences, with respect to judicial assistance and Letters Rogatory, extradition of accused and convicted persons and handing over of items, in accordance with the rules stipulated in bilateral or multilateral treaties to which Egypt is a party, or on the basis of the principle of reciprocity.

Article (19)

The Authorities referred to in Article (18) of this Law may, in particular, request taking the legal procedures necessary to trace, freeze or seize the funds subject of the money laundering and terrorist financing offences, without prejudice to the rights of bona fide third parties.

Article (20)

Competent Egyptian judicial entities may order enforcement of final criminal rulings issued by competent foreign judicial authorities, concerning the confiscation of the funds resulting from money laundering and terrorist financing offences or proceeds thereof, in accordance with the rules and procedures stipulated in bilateral or multilateral treaties to which Egypt is a party.

Bilateral or multilateral treaties may be concluded to regulate disposal of funds for which a final ruling of confiscation has been issued by Egyptian or foreign judicial entities in money laundering and terrorist financing offences. Such treaties shall include rules for distributing the said funds among parties to the treaty, in accordance with the provisions stipulated therein.

Article (21)

The Unit shall take the necessary measures to carry out Egypt's commitments according to international conventions, treaties, and charters with respect to terrorist financing and the financing of the proliferation of weapons of mass destruction. This shall be done as per the manner prescribed in the Executive Regulations..