

Executive Regulations of the Anti-Money Laundering Law

Chapter One

Definitions

Article 1

In applying the provisions of the following Executive Regulations and any decrees issued to enforce the Anti-Money Laundering Law, promulgated by Law No. 80 for 2002, the following words and phrases shall have the meanings ascribed thereto unless otherwise stipulated.

The Law:

The Anti-Money Laundering Law promulgated by Law No. 80 for 2002, as amended by laws 78 for 2003 and 181 for 2008.

Funds:

The national currency and foreign currencies, securities, commercial papers, any valuable things whether real estate or tangible or intangible movable property, and all rights related thereto, and deeds and documents evidencing any of the said rights.

Money Laundering:

Any conduct involving the acquisition, possession, disposing of, managing, keeping, exchanging, depositing, guaranteeing, investing, transferring, or converting Funds or tampering with their value, if such Funds are the proceeds of any of the crimes stipulated in Article (2) of the the referred to Anti-Money Laundering Law, with direct or indirect knowledge thereof, to be inferred from factual circumstances or surrounding considerations, provided that such conduct purports to conceal, disguise, alter the nature, source, location, ownership, beneficial ownership, prevent the discovery thereof or impede the identification of the perpetrator of predicate crime the proceeds of which are these Funds.

Unofficial Translation

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 as regulated by Law No. 88 for 2003 and its amendments promulgating the law on the central bank, banking sector and money.
- 3- Entities engaged in money transmission activities, regulated by law 88 for 2003 and its amendments promulgating the law on the central bank, banking sector and money.
- 4- Entities engaged in securities, regulated by the Capital Market Law, promulgated by Law No. 95 for 1992, and the Central Deposit and Registry of Securities Law, promulgated by Law No.93 for 2000. Such Entities exercise one or more than one of the following activities:
 - Underwriting and promotion of securities.
 - Equity participation in companies issuing securities, or in increasing their capitals.
 - Venture capital.
 - Securities clearance and settlement.
 - Formation and management of portfolios and mutual funds.
 - Securities brokerage.
 - Nominee.
 - Trusts.
 - Custodians.
- 5- Entities engaged in money receiving, as regulated by Law 146 for 1988 on Companies Engaged in Receiving Money for Investment. Such entities are joint stock companies that offer their shares for public underwriting, which are recorded in the register prepared for this purpose at the Capital Market Authority, and authorized to receive money from the public in any currency, by any means to employ, invest or share it, whether such purposes are explicit or implicit.
- 6- The Postal Saving Fund, regulated by Law No. 16 for 1970 on postal system.

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7- Entities conducting mortgage activities and entities dealing in mortgage related securitization, stipulated in the Mortgage Law promulgated by Law No. 148 for 2001. Such entities are:

- Entities conducting mortgage activities or those among whose purposes is mortgage.
- Entities engaged in securitization in whose concern a decree is issued by the competent authority after the approval of the Capital Market Authority's Board of Directors, in accordance with the referred to Capital Market Law and the Decrees issued to enforce it.

8- Entities undertaking lease financing activities.

Such entities are companies licensed to engage in such activities, in accordance with Law No. 95 for 1995 on Lease Finance.

9- Entities engaged in factoring activities, in accordance with the Investment Guarantees and Incentives Law, promulgated by Law No. 8 for 1997, and its Executive Regulations.

10- Entities engaged in any type of insurance or reinsurance activities, private insurance funds, and insurance brokerage, as regulated by the Insurance Supervision Law in Egypt, promulgated by Law No. 10 for 1981.

11- Other Entities

Other entities specified by a Prime Minister Decree, determining their obligations and the entities responsible for supervising thereof.

This is applicable whether the activities prescribed in this article are undertaken by legal or natural person.

Proceeds:

Funds directly or indirectly resulted or yielded from committing any of the crimes stipulated in Article (2) of the referred to Anti-Money Laundering Law.

Unofficial Translation

The Unit:

The Money Laundering Combating Unit, established within the Central Bank of Egypt by virtue of the Law, and in whose regard Presidential Decrees No. 164 for 2002 and 28 for 2003 were issued.

Supervisory Entities:

Such Entities include:

Supervisory Authorities:

Authorities assigned by different Laws and systems to supervise financial institutions, and they include:

- Ministry of Communications and Information Technology which supervises the postal saving Fund.
- Central Bank of Egypt which supervises banks operating in Egypt and its branches abroad and branches of foreign banks operating in Egypt, foreign exchange companies and other entities licensed to deal in foreign currency and money transmission entities.
- Egyptian Insurance Supervisory Authority which, supervises entities undertaking any kind of insurance or reinsurance activities and private insurance funds and brokerage in the field of insurance.
- Capital Market Authority, which supervises entities operating in the field of securities, entities engaged in receiving money and entities operating in the field of securitization.
- General Authority for Investment and Free Zones, which supervises entities engaged in lease finance activities and entities engaged in factoring activities.
- Real Estate Finance Authority, which supervises entities engaged in mortgage activities.
- Supervisory Authorities specified by a prime minister's decree.

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Public Control Entities:

Entities whose jurisdictions cover inter alia combating and investigating all crimes, including the money laundering crimes, terrorism financing crimes and the crimes stipulated in Article (2) of the Anti-Money Laundering Law.

The Customer:

The natural or legal persons in whose name the Financial Institution opens an account, conducts a transaction or offers a service.

Beneficial Owner:

The natural or legal persons for his interest or on his behalf transactions are conducted. It also indicates those persons who exercise ultimate or effective control over a legal person or those who legally have the capacity to act as a guardian or by proxy or under any other capacity.

Politically Exposed Persons:

Foreigners who are or have been entrusted with prominent public functions in their countries, for example Heads of state or of government, senior politicians, senior government, military and judicial officials, senior executives of state owned corporations and senior officials of political parties.

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Article 2

The money laundering crime shall apply to Funds generated from the crimes listed hereunder, whether such predicate crimes, or the money laundering crime, are committed within the Egyptian territories or abroad, provided that such crimes are penalized by both the Egyptian and foreign laws:

- 1- Crimes of planting, manufacturing, transporting, smuggling and exporting of plants, narcotics or psychotropic substances and trafficking therein and managing or providing a place for abusing such drugs for a return;
- 2- Crimes of hijacking means of transport and detaining individuals;
- 3- Crimes of terrorism and financing thereof as stipulated in the Penal Code or any other law;

Terrorism means any use of force, violence, threatening , or frightening by the perpetrator to carry out an individual or collective criminal plan, with the aim of disturbing public order or exposing safety and the security of the society to danger, if such actions harm, terrorize or expose their life, freedom, or security to danger or cause harm to the environment, communications, means of transport, public or private Funds, buildings, or properties; or lead to the occupation or seizure thereof, or the prohibition or the obstruction of the work of public authorities, worship houses, or schools, or the hindrance of the enforcement of the constitution, laws, or regulations.

Terrorism financing means providing Funds or making them available, by any means, for a terrorist, terroristic act or terroristic association, entity, organization or group, directly or indirectly, or to use or intend to use such Funds to carry out terrorist acts with knowledge thereof.

- 4- Crimes of unlicensed importation, trading and manufacturing of weaponry, ammunition and explosives;
- 5- Felonies and misdemeanors committed abroad harmful to the security of the government, stipulated in Chapter Two, the Second Book of the Penal Code;

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- 6- Felonies and misdemeanors committed within the country harmful to the government, stipulated in Chapter Two of the Second Book of the Penal Code;
- 7- Crimes of bribery, stipulated in the Third Chapter of the Second Book of the Penal Code;
- 8- Crimes of misappropriation of public Funds, transgression and speculation, stipulated in the Fourth Chapter of the Second Book of the Penal Code;
- 9- Crimes of forgery of banknotes and coins, stipulated in the Fifteenth Chapter of the Second Book of the Penal Code;
- 10- Crimes of forgery, stipulated in the Sixteenth Chapter of the Second Book of the Penal Code;
- 11- Crimes of stealing and misappropriation of funds;
- 12- Crimes of swindling and breach of trust;
- 13- Crimes of deceit and fraud;
- 13 (bis) - Crimes of concealing stolen items or those that are the proceeds of a felony or misdemeanor;
- 13 a (bis)- Crimes of receiving money in violation of Law No. 146 for 1988;
- 13 b (bis) - Crimes of violation of intellectual property rights;
- 14- Crimes of male and female prostitution;
- 15- Crimes against antiquities;
- 16- Environment crimes related to dangerous materials and wastes;
- 16 (bis)- Crimes of murder and injury;
- 16 a (bis)- Crimes of customs evasion;
- 16 b (bis)- Crimes of dealing in foreign currency in violation of the rules prescribed by law;

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16 c (bis)- Crimes of illicit gains;

16 d (bis)- Crimes stipulated in Article 64 of the Capital Market Law promulgated by Law No. 95 for 1992;

17- Organized crimes referred to in international treaties and their supplementing protocols to which the Arab Republic of Egypt is a party, where such crimes are penalized under the Egyptian Law, whether the money laundering or referred to crimes are committed within the Egyptian territories or abroad, provided that such crimes are penalized by both Egyptian and foreign laws;

Chapter Two

The Money Laundering Combating Unit

Article 3

The Unit shall exercise its jurisdictions stipulated in the Law and in the Presidential Decree No. 164 for 2002 and 28 for 2003, especially the following:

- 1- Receiving reports sent by financial institutions and other entities on any of the transactions suspected of involving money laundering or terrorism financing and recording such reports in the database of the unit, in accordance with the procedures outlined in the present Regulations.
- 2- Receiving information on any of the transactions referred to in the pervious Item, and recording such information in the database of the Unit.
- 3- Conducting examinations and investigations via Departments established at the Unit for this purpose, or with the help of public cotrol entities and other legally competent entities.
- 4- Reporting to the public prosecution the indications turned up by examinations and investigations as to the perpetration of a money laundering crime or terrorism financing crime, or any of the crimes provided for in Article (2) of the Law or any other crime.
- 5- Requesting the public prosecution to take provisional measures as stipulated in Articles 208a (bis), 208b (bis), 208c (bis), of the Criminal Procedures Code with regard to money laundering or terrorism financing crimes or any of the predicate crimes stipulated in article (2) of the Anti-Money Laundering Law
- 6- Disposal of reports and information, the examintion and investigation of which turned no indications as to the perpetration of any crime.
- 7- Establishing a database to be fed with all the reports the Unit receives and the information made available to it regarding money laundering and terrorism financing activities, and the efforts exerted to combat them, on the local and international levels, and updating this database regularly. The Unit shall also set controls and safeguards ensuring the database's secrecy, and it is accessible to judicial and other competent authorities.

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- 8- Coordinating with supervisory authorities in the state and other competent entities in foreign countries and international organizations with respect to combating money laundering or terrorism financing.
- 9- Establishing the means necessary for providing judicial and other legally competent entities with any information included on the database and requested thereby.
- 10- Exchanging the referred to information with supervisory authorities and other public control entities in the country, whether such an action is taken of its volition or at the request of such authorities and entities and in coordinating therewith, to serve examination and investigation purposes and take the necessary measures as to money laundering or terrorism financing activities.
- 11- Exchanging the referred to information with counterpart Units and other competent entities in foreign countries and international organizations and coordinating therewith with respect to combating money laundering and terrorism financing, in accordance with the provisions of the bilateral or multilateral international treaties to which Egypt is a party, or on the basis of the reciprocity principle, taking into consideration the guarantees included in these provisions as to keeping the confidentiality of such information and confining the use thereof to the purpose it is requested for.
- 12- Preparing the reporting forms, to be used by financial institutions when reporting to the Unit transaction suspected of involving money laundering, in a way that provides all the data which help the Unit to examine, investigate, analyse and record such data in the database.
- 13- Setting the rules to be used in establishing the identity and the the legal status of customers and beneficial owners, for natural and legal persons, through legal identification documents, and ensuring, in coordination with supervisory authorities, that financial institutions and other entities are committed to them.
- 14- Coordinating among supervisory authorities to establish and provide the means necessary for ensuring that financial institutions and other entities comply with systems and rules prescribed by the Law to combat money laundering and terrorism financing.

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14 (bis)- Requesting information, data and statistics necessary for the Unit to exercise its responsibilities from supervisory authorities, law enforcement entities, financial institutions and other.

14 a (bis)- Requesting information and data from supervisory authorities, financial institutions and other entities specified thereby, about financial transactions stipulated in the present regulations

15-Preparing and implementing training programs for the Unit's staff, and contributing to the preparation and implementation of such programs for the staff of supervisory authorities, other competent entities prescribed by the Law, and Financial Institutions, either on its own or with the assistance of local and foreign specialized training centers and entities.

16-Carrying out studies and research activities in the field of combating money laundering and terrorism financing, and following up on such activities on the international level with the help of all the concerned entities locally and abroad.

17- Preparing programs to raise the public awareness on combating money laundering, terrorism financing and the risks of resorting to unofficial channels for money transfers.

18-Proposing the rules to be followed for travelers when disclosing amounts of foreign currency they have exceeding ten thousand US dollars or its equivalent in foreign currency, when the foreign currency exceeds the said amount in itself; or disclosing foreign currency and bearer negotiable securities and commercial papers together exceeding the said amount.

19-Establishing the means necessary for concluding bilateral or multi-lateral treaties with foreign countries and organizations in the field of international criminal cooperation in general, especially mutual legal and judicial delegations, extradition of accused and convicted persons, enforcement of final criminal rulings rendered by competent foreign judicial authorities in money laundering and terrorism financing crimes and the seizure and confiscation of the Funds or proceeds resulting therefrom.

20-Seeking to conclude bilateral or multi-lateral treaties with foreign countries on the disposal of proceeds deemed to be confiscated by virtue of Egyptian or foreign judicial entities rulings regarding money

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laundering and financing terrorism crimes. Such treaties shall contain rules of distributing such proceeds among parties of the treaties.

Article 4

Reports sent by financial institutions and other entities on transactions suspected of involving money laundering or terrorism financing shall particularly include the following:

- (1) Nature of suspicious transaction, the parties involved therein, how it was detected and its current condition.
- (2) Value of the suspected transaction.
- (3) Reasons of suspicion on which the MLRO responsible for combating money laundering and terrorism financing in the financial institution or other entity relied upon and his signature.

Article 5

The Unit shall record reports delivered to it by Financial Institutions and other entities on transactions suspected of money laundering or terrorism financing on the database of the Unit. The recorded data shall particularly include the following:

- (1) Report's reference number, date and time of its reception.
- (2) Summary of the report data, including the suspected transaction, and reasons of suspicion.
- (3) Date and timing of delivering the report to the competent department at the Unit.
- (4) The examinations, investigations, analysis and measures taken to dispose of the report, and nature of such disposal.
- (5) Judicial verdicts and rulings rendered in this regard.

The same measures shall be taken with respect to information sent to the Unit via entities other than Financial Institutions and other entities on the referred to transaction.

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Article 6

The Unit shall, as soon as it receives a report, conduct its own examinations and investigations with respect to it via the competent department, or with the assistance of the public control entities and other competent entities prescribed by the Law. To this end the Unit may:

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- 1- Review registers and documents of Financial Institutions and other entities relating to the national or international transactions they conduct, as well as reviewing documents of customers and beneficial owners held by such Financial Institutions and other entities, which contain their personal data, correspondence and previous transactions conducted therewith.
- 2- Request Financial Institutions and other entities to provide further data or information, on customers and beneficial owners, deemed necessary for examination and investigation.

Article 7

If the reports' examinations and investigations conducted by the Unit turn up any indications as to the perpetration of a money laundering crime or terrorism financing crime, or any of the crimes stipulated in Article (2) of the Law, or any other crime, the Unit shall report such crimes to the Public Prosecution. Such report shall include sufficient information on the crime about which indications were turned up, its perpetrators and the nature of such indications.

Reporting to the Public Prosecution shall only be made by the chairman of the board of trustees or whomever he delegates.

Article 7 (bis)

The Money Laundering Combating Unit shall take necessary measures to implement Resolutions issued by the Security Council, with regard to funds relating to terrorism financing, in accordance with the following measures:

- a. The unit shall receive lists stipulated in the Resolutions referred to in the preceding paragraph.
- b. The unit shall distribute such lists and any subsequent amendments thereto to the Central Bank, the Capital Market Authority, the Commercial Register Authority, Corporations Authority, General Authority for Investment and Free Zones, Notary Public and other entities. Such entities shall report to the Unit any data available thereto on funds of persons and entities included in such lists.
The unit shall send such lists and any subsequent amendments thereto to the Custom Authority to take them

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into consideration while exercising its functions concerning disclosure in accordance with article (14) of this Executive Regulations.

- c. The unit shall take the necessary legal measures to prevent disposal of Funds (freeze) referred to in Item (b).

Article 8

Where any of the perpetrators of a money laundering or terrorism financing crime reports to any of the authorities concerned with intelligence gathering or investigation the crime and the other perpetrators prior to their knowledge thereof, or after knowledge of the crime but such report leads to arresting the other perpetrators or the funds subject of the crime, according to Article (7) of the Law, applicable only in cases of multiple perpetrators, examination and investigation measures and reporting to the Public Prosecution, in accordance with Article (7) of the present Regulations shall be carried out, taking into consideration that the reporter shall still be criminally liable for the said crime, and that verification of the availability of the provisions of partial exemption from the principal penalties is dependent on the competent court discretion.

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Article 9

The Unit may request the Public Prosecution, with respect to the money laundering crime, terrorism financing crime or any of the crimes stipulated in Article (2) of the Law, to take provisionanal measures in accordance with Articles 208a (bis), 208b (bis), and 208c (bis) of the Criminal Procedures Code; such provisional measures include prevention from the disposal of the Funds, the magement thereof as well as the freezing of the balances.

Such request shall be made by the chairman of the board of trustees only or whomever he delegates.

Article 10

In case of urgency, the Chairman of the board of Trustees, or whomever he delegates, may inform the MLRO of the reporting Financial Institution on the measures to be taken to deal with reported suspicious transaction, until the examinations and investigations of the reports are completed.

Article 11

Without prejudice to the provisions provided for in this Chapter, the Unit may take examination, investigation, reporting the public prosecution measures, and request provisional procedures be taken as to any information reported to it via entities other than Financial Institutions or other entities, provided that such measures are recorded in the database referred to in Article (5) of the present Regulations.

Article 12

The Unit shall establish a database for the information available to it on suspected transactions, persons suspected of being involved therein, and all information related to combating money laundering and terrorism financing in Egypt.

Supervisory authoritirs, financial institutions and other entities shall provide the Unit with necessary data, information and statistics requested thereby to include them in the referred dadabase.

Competent authorities shall report to the Unit information available thereto concerning money laundering or terrorism financing crimes and actions taken thereon and results thereof, to include all of them in the referred to database.

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Article 13

The Unit shall establish the systems, procedures, and rules to ensure the secrecy of information included on the database, especially the following:

- (1) Specifying levels of safety and secrecy.
- (2) Determining the administrative and organizational structure for the Unit's staff who can access and manage the database, and the degree of accessibility for each of them.
- (3) Establishing the system of receiving, recording, transferring, and keeping documents and information.
- (4) Authorization rules for the staff of Supervisory Entities authorized by law to review the data on the database and access it, which include preparing the request and authorization forms used for such access.
- (5) Rules of disclosing the data and information included on the database to foreign supervisory authorities and international organizations, in accordance with the provisions of the Law.

Article 14

Without prejudice to Articles (116) and (126) of Law No. 88 for 2003 Promulgating the Law on the Central Bank, the Banking Sector And Money, every person traveling to and from the country shall declare to the customs authorities their possession of foreign currencies in excess of US\$ ten thousand or their equivalent in foreign currency, where the foreign currency exceeds such value in itself, or of foreign currency and bearer negotiable commercial papers and where their total value exceeds the set value.

Personnel of Customs Authorities, with Law enforcement capacity, may in case of failure to declare or providing false information question the violator about the source of their possession of the referred to currency, securities and commercial papers and purposes of its use and shall take measures for seizing currency securities and commercial papers in such case and in cases where there are indications of committing a money laundering or a terrorist financing

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crime, providing that such authorities report the procedures taken thereby to the competent authorities to take the necessary measures.

Disclosure shall be made in accordance with the following rules and procedures:

- Passengers travelling to and from the country shall declare their possession where it exceeds the amount prescribed by law, on a form that includes the data specified by the Money Laundering Combating Unit.

Disclosure forms shall be made available for passengers at predefined and clear places at arrival and departure halls in different outlets.

- Customs Authority is the authority concerned with receiving declarations forms at arrival and departure ports. It shall appoint a principal contact officer to represent it at the Unit, in matters related to combating money laundering and terrorism financing, provided that they be qualified and have enough experience on such matters, and from a job level appropriate for performing tasks assigned thereto; and shall inform the Unit of the name of its representative and substitute to where absent.
- Customs officers having the capacity of law enforcement may take the following actions:
 - Question the violator about the source of his possession of cash and bearer negotiable securities and commercial papers and the purposes of use thereof, in case of failure to declare to perform the duty of declaration, when providing false data or where there are indications of committing a money laundering or terrorism financing crime and seize currency, securities and commercial papers.
 - Reports made in this context shall be sent to the competent authority for taking the necessary measures and provide the Unit with a copy thereof.
- Every customs checkpoint shall be responsible for recording data of the declaration form for incoming or outgoing passengers, and send such data to the Customs Authority.
- The Customs Authority shall send data of declaration forms Unit, pursuant to the system agreed on by the unit and the Customs Authority.

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- The Unit shall take appropriate measures to include the declaration data in its database and shall take necessary measures in case of suspecting links between such forms and money laundering or terrorism financing.

Chapter Three

The Money Laundering Combating Unit's Board of Trustees and Organizational Structure

Article 15

The Board of Trustees shall be responsible for managing the Unit's affairs, devising its general policy, and following up on its implementation, in a way that guarantees the fulfillment of the objectives thereof according to the Law, and it may especially do the following:

- (1) Endorse the forms used by Financial Institutions and other entities to report transactions suspected of involving money laundering or terrorism financing.
- (2) Approve the rules used to establish the identity and the legal status of customers and beneficial owners, for natural and legal persons, through legal identification documents.
- (3) Propose disclosure rules stipulated in article (14) of the present executive regulations.
- (4) Approve rules of coordinating among the supervisory authorities over financial institutions and other entities to establish the means necessary for ensuring that such financial institutions and entities comply with anti-money laundering and terrorism financing rules and systems as prescribed by law.
- (5) Ensure that judicial authorities, and other entities concerned with the application of the provisions of the Law, the Executive Regulations and Decrees, are provided with the information they request.
- (6) Propose systems and procedures of combating money laundering and terrorism financing.
- (7) Approve the estimated budget of the Unit.
- (8) Set regulations organizing the financial, administrative and personnel affairs of the Unit according to the nature of the work therein, without

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being bound to systems and rules applicable to the government, public sector, and the public enterprise sector.

- (9) Set rules regulating the Unit's request of assistance from experts and specialists in the areas related to its activities and their financial treatment.
- (10) Establish the structural organization of the Unit.

Rules, systems and endorsing the organizational structure stipulated in items 8,9 and 10 shall be issued at a prime minister's decree.

- (11) Endorse training and qualifying programs for the staff of Unit, and rules of assisting supervisory authorities and other competent entities prescribed by the Law and Financial Institutions and other entities in training and qualifying their staff.
- (12) Endorse rules and procedures to be followed in international judicial cooperation with foreign judicial entities, other foreign entities and international organizations.
- (13) Endorse rules of exchanging information available at the Unit with other counterpart Units in foreign countries and international organizations, in accordance with the provisions of international bilateral and multi-lateral treaties to which Egypt is a party, or on the basis of the reciprocity.

Article 16

The Chairman of the Board of Trustees shall particularly be responsible for the following:

- (1) Managing and supervising the Unit's affairs, and ensuring the fulfillment of the duties assigned thereto.
- (2) Summoning the Board of Trustees to convene, at least once every three months.
- (3) Proposing the budget of the Unit, and other issues within the jurisdiction of the Board of Trustees and submitting it to the Board to decide thereon.
- (4) Preparing an annual report to be presented to the Board of Directors of the Central Bank, that includes an outline of the Unit's activities,

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international trends in combating money laundering and the Egyptian position thereon. The annual report and remarks of the board of the central bank shall be submitted to president of the republic for review.

- (5) Conducting communications and arrangements relating to the Unit's work in international gatherings, and exchanging information with competent entities in other countries and international organization in accordance with the provisions of the international treaties.
- (6) Proposing the conclusion of international cooperation treaties or memoranda of understanding with counterpart Units abroad and with other foreign entities and international organizations concerned with combating money laundering or terrorism financing.

Article 17

The Unit shall have an executive director appointed by virtue of a Decree by the Chairman of the Council of Trustees after the approval of the Council. The Decree shall specify the job description and assignments of the executive director.

Article 18

The organizational structure of the Unit shall include what enables it to carry out its duties, especially investigation examination, analysis, researches, studies, training, database, communications and international cooperation in the field of money laundering and terrorism financing.

Chapter Four

Supervisory Entities

Article 19

Each supervisory authority is obliged to establish and provide the means necessary for ensuring that Financial Institutions and other entities it supervises comply with systems and rules prescribed by Law to combat money laundering and terrorism financing, in accordance with the nature of such Institutions' and entities' activities, as outlined in the following articles.

Article 20

Each supervisory authority, in coordination with the Unit, shall set regulations for the financial institutions and other entities supervised thereby in the field of policies and plans of combating money laundering and terrorism financing; define the obligations such institutions and entities have to fulfill to enforce such regulations; develop and update such regulations to cope with local and international developments.

Article 21

Each supervisory authority, in coordination with the Unit, shall establish the means necessary for ensuring that Financial Institutions and other entities subject thereto have an appropriate system for establishing the identity and the legal status of their customers and beneficial owners, whether natural or legal persons, through legal identification documents.

Article 22

In establishing the systems referred to in Article (21) of this executive regulations, the following standards shall be followed:

- (1) Establishing the identity and the legal status of the permanent and occasional customers, whether natural or legal persons, persons authorized to act on their behalf and beneficial owners shall take place when opening accounts or establishing a business relationship, in any form, with any of the financial institutions and other entities. Such identification shall be renewed upon the appearance of any

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suspicious related thereto it at any stage, provided that, in all cases, the activity of the customer, the person authorized to act on their behalf and beneficial owner shall be established.

Identification shall be established in the following cases:

- When conducting any occasional financial transaction exceeding the threshold set by the supervisory authorities, in coordination with the unit, for each type of the financial institutions and other entities, and according to the nature of its activity. In assessing the value of such transactions, connected transactions shall be considered one transaction.
 - When suspecting the commitment of a money laundering or terrorism financing crime, regardless of the value of the occasional transaction.
- (2) Identification shall be established upon legal documents a copy of which shall be kept for a period of five years from the date of closing the account or from the date the dealing with the Institution is concluded, as the case may be.
- (3) Updating data related to the referred to customer identity and and legal status shall be made periodically, taking risk levels into consideration.
- (4) When establishing the identity and the legal status of customers and beneficial owners for legal persons, data establishing its nature, legal status, name, origin, legal proxy, and documents relating thereto, financial structure, types of activity, addresses of partners or shareholders who own more than 10% of the company's capital, as the case may be, shall be had and documents evidencing such data shall be attached.
- (5) Pretexts of maintaining the profession's secrets by proxies such as lawyers, accountants, and financial intermediaries shall not be accepted when gathering the identification data as outlined
- (6) In case of suspicion regarding the data or identity documents provided, Financial Institutions and other entities shall verify them by all means, including contacting entities concerned with recording such data, or issuing such

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documents, as Commercial Registration Authority, General Authority for Investment, Corporations Authority, Civil Affairs Authority, and Notary Public.

Any other standards required by virtue of the special nature of activities of each Financial Institution and other entities.

Article 23

Each supervisory authority shall take the necessary off-site and on-site measures to ensure that the Financial Institutions it supervises comply with the provisions of the the anti-money laundering Law, its Executive Regulations and other regulations, and shall take the action prescribed for violating any of these provisions in accordance with the relevant laws and systems. The penalties prescribed in the Law do not prohibit the application of the administrative penalties prescribed in the laws and systems related to the violating Financial Institution.

Each supervisory authority shall present, at least once annually, to the Unit a report about its activity in the field of combating money laundering and terrorism financing, and its recommendations for the development of the policies and plans of combating.

Article 24

Each supervisory authority shall appoint a contact officer to represent it at the Unit in matters related to combating money laundering, provided that such officer be qualified and experienced in such matters, and of adequate job level enabling him to discharge his duties.

Each supervisory authority shall inform the Unit of its representative name, the data enabling it to contact and deal with him/her and the name of his substitute when absent, who shall have the same qualifications.

Article 25

Each the public control entity as referred to in Article (1) of the present Regulations, shall appoint a contact officer to represent it at the Unit in matters related to combating money laundering and terrorism financing, provided that such officer be qualified and experienced in the

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such matters, and that of adequate job level enabling him to discharge his duties.

Each public control entity shall inform the Unit of its representative name, the data enabling it to contact and deal with him/her and the name of his substitute when absent, who shall have the same qualifications.

Article 26

Supervisory entities shall take all the measures and provide all the means necessary for exchanging information and coordinating with the Unit with regard to combating money laundering and terrorism financing, including the establishment of a database for all the information available to them in this respect.

Article 27

Supervisory entities shall cooperate with the Unit in the investigation and examination measures requested thereby with respect to reports and information on transactions suspected of involving money laundering or terrorism financing received thereby.

Article 28

Where supervisory entities find out while carrying out the duties prescribed for them by law the existence of suspicion regarding money laundering or terrorism financing, they shall promptly report the Unit such suspicion. Such a report shall include the data referred to in Article (4) of the present Regulations, to enable that the Unit to carry out the duties prescribed for it by the Law as to conducting investigation, examination, and reporting to the public prosecution and requesting provisional measures be taken, in accordance with Articles (4,5) of the Law.

Chapter Five

Financial Institutions and Other Entities

Article 29

Each Financial institution and other entity shall establish the systems that ensure the enforcement of the provisions of the Law, the present Regulations, and all executive decrees relating thereto, in accordance with the nature of such institutions' and Entities' activities, as outlined in the following Articles.

Article 30

Each Financial Institution and other entity shall establish a special system to establish the identity and the legal status of customers and beneficial owners, whether for natural or legal persons, provided that in establishing such systems, the standards stated in Article (22) of the present Regulations and any other standards necessary in this regard shall be followed in accordance with the nature of activities of the financial institution and other entity.

Each Financial Institution and other Entity shall inform the competent supervisory authority of such systems.

Article 31

Each financial institution and other entity shall report to the Unit transactions suspected of involving money laundering or terrorism financing and trials to conduct such transactions. Reporting shall be made according to the detailed procedures set by such institutions and entities, including detailed suspicion indicators, pursuant to the regulations issued by supervisory authorities in this regard and on the forms designed by the Unit for this purpose.

Article 32

Each Financial Institution and Other Entity shall periodically update internal controls, rules, measures, and suspicion criteria, and whenever such updating is required, to cope with the national and international developments in the field of plans and policies of combating

Unofficial Translation

money laundering and terrorism financing on the national and international levels.

Such institutions and entities shall establish a money laundering and terrorism financing risk management system that includes classifying customers into risk based categories; and shall put in place necessary measures to deal with such risks in a way appropriate to such risk level. Classification shall be reviewed periodically and whenever changes warranting such review take place.

Such institutions and entities shall also devise policies and take necessary measures to prevent abuse of modern technology developments in money laundering or terrorism financing.

Article 32 (bis)

Financial institutions and other entities shall pay special attention measures when dealing with customers persons authorized to act on their behalf and beneficial owners of Politically Exposed Persons, their families and those who act on their behalf and those who have a close relationship therewith; and shall take the following:

- Establish appropriate systems to obtain sufficient information to identify whether customers, persons authorized to act on their behalf and beneficial owners are politically exposed persons.
- Obtain the approval of the senior management of the financial institution or the approval of the senior management or the person responsible for the actual management of other entities at the beginning of the relationship or during the relationship, where the customer, persons authorized to act on their behalf and beneficial owners turns out to be a politically exposed person.
- Identify the source of wealth and funds of the customer.
- Monitor closely and continuously the politically exposed persons' accounts and transactions.

Article 33

Financial Institutions and other entities shall not open accounts, keep or accept deposits or Funds of anonymous sources or under false or fictitious names.

Unofficial Translation

Article 34

Each Financial Institution and other entity , according to the nature of its activities, shall keep registers and documents for national and international transactions conducted by it, provided that such registers and documents include sufficient data for identifying such transactions, and shall keep such registers and documents and registers of customers, and the persons authorized to act on their behalf and beneficial owners for five years at least, taking into consideration that starting calculation of the said period should be as follows:

- For accounts opened for natural and legal persons at banks, financial institutions and other entities, records and documents related to such accounts, shall be kept, including account opening application, copies of personal identification documents and correspondence with such persons, as from the date of closing the account.
- For transactions conducted for natural and legal persons having no accounts, documents and records related to such transaction, including copies of personal identification documents and correspondence with such persons, shall be kept as from the date of concluding the transaction.

Article 35

Each one of the financial institutions and other entities shall appoint a money laundering reporting officer, who shall be of a senior job level and have sufficient academic and practical experience.

Article 36

Article (36) of the Executive Regulations of Anti-Money Laundering Law, stipulates that "financial institutions and other entities shall specify the responsibilities of the money laundering and terrorism financing reporting officer, provided that such responsibilities include receiving information on unusual and suspected transactions produced by the internal systems of the financial Institution and other entities, by any of the staff, or by any other entity; and examining such information; and deciding whether to report the Unit or not to take action with respect to them. Decisions not to take action shall be justified, and reporting to the Unit shall be the MLRO responsibility.

Unofficial Translation

Article 37

Each financial institution and Other Entity shall provide the MLRO and his substitute with what enables him to exercise his jurisdictions independently, guarantee the secrecy of all the information received by him and the measures he takes. To this end, the MLRO may access the registers and data needed for conducting his examinations, and review the systems and measures established by the financial institution and other entity to combat money laundering and terrorism financing and the degree of compliance therewith, and propose necessary measures to overcome any shortcomings in such systems and measures, or the required upgrading and development, to increase their effectiveness and efficiency.

Article 38

The money laundering reporting officer shall prepare a report, at least once a year, on his activities, assessment of the anti-money laundering and terrorism financing systems and measures at the financial institution and other entity and the unusual and suspicious transactions and what has been taken as to them, followed by his proposals in this regard.

Such report shall be submitted to the financial institution's and other entity's board of directors for consideration, and for deciding the measures to be taken as to it. Afterwards, the report shall be sent to the Unit along with the comments and the decisions of the board in this regard..

Article 39

The money laundering reporting officer shall provide the Unit with the data requested thereby and facilitate its access to the records, and documents needed for carrying out its investigation and examination, or for recording such data in the Unit's database. The money laundering reporting officer shall be responsible for establishing, implementing and plans, curricula, and programs of training and qualifying staff.

Unofficial Translation

Article 40

Each Financial Institution shall dedicate special files for suspected transactions, wherein copies of reports on these transactions, data and documents related thereto shall be kept for a period not less than five years, or until a final verdict or judgment is rendered in its regard, whichever is longer.

Chapter Six

Training and Qualifications in the Field of Combating Money Laundering and terrorism financing

Article 41

Financial Institutions, other entities, supervisory authorities, public control entities and the Unit shall set plans and programs for training and qualifying their staff, to whom responsibilities relating to money laundering are assigned, so that they be well prepared for carrying out such responsibilities, coping with international developments, and enhancing rules of professional sound work in this field.

Such programs shall be devised through coordination among the institutions, the referred to supervisory authorities, public control entities, and the Unit, provided that such institutions and entities keep the documents of every training program for a period no less than five years as from the date of completing the training.

Article 42

Assistance of local or foreign specialized institutes, established for this purpose, or among whose purposes is combating money laundering and terrorism financing, shall be sought in carrying out training and qualifying programs, while benefitting from local and international experience in this respect. Such assistance seeking shall be conducted within the Unit's general training and qualifying policy.

Chapter Seven

International Cooperation in the Field of Combating Money Laundering and terrorism financing

Article 43

Egyptian judicial authorities shall cooperate with foreign judicial authorities in the field of combating money laundering and terrorism financing in all the forms stipulated in Article (18) of the Law, in accordance with the rules provided for in the bilateral or multilateral treaties to which Egypt is a party, or according to the reciprocity principle.

Article 44

The database of the Unit shall include a statement on the treaties referred to in Article (46) of the present Regulations, along with a summary of the most important provisions included therein, particularly the entity specified by every treaty through which international cooperation shall be conducted.

Article 45

The Unit shall take the necessary measures to request legal measures be taken in foreign countries to trace, freeze or seize the Funds involved in money laundering or terrorism financing or the proceeds thereof.

Article 46

The Unit shall seek to conclude international cooperation treaties or memoranda of understanding with counterpart Units abroad, and other foreign competent entities and specialized international organizations in the field of combating money laundering and terrorism financing, to facilitate international cooperation in its various forms and the exchange of information and expertise in this respect.

Unofficial Translation

Article 47

The Unit shall seek to conclude international treaties to organize the disposal of the Funds deemed to be confiscated by virtue of an Egyptian or foreign judicial authority ruling in money laundering and terrorism financing crimes; such treaties shall include rules of distributing the proceeds among the concerned parties, in the cases in which the confiscation of such Funds results from coordination and cooperation among the treaty parties.

Article 48

In exchanging information in accordance with existing treaties or the reciprocity principle, the requesting Units shall undertake to ensure the sound use of such information, especially, not to use the information except for the purpose it was requested for, and not to disclose it to a third party unless a prior approval is obtained from the Unit providing the information.

Article 49

the unit shall handle international cooperation affairs with committees established in the Security Council and other international organizations and bodies in matters related to combating money laundering and terrorism financing. The Unit shall take necessary measures with respect to lists and other instruments issued by committees affiliated to the said Council, pursuant to provisions of the relevant laws and decrees and the provisions stipulated in these Executive Regulations