

Law No. 80 for 2002

Promulgating Anti- Money Laundering Law,
Amended by Law No. 78 for 2003*

**In the Name of the People,
The President of the Republic,**

The People's Assembly approved the following Law, and we hereby enact it.

Article (I)

Provisions of the accompanying Anti- Money Laundering Law shall come into force.

Article (II)

The Prime Minister shall issue the Executive Regulations of the accompanying Law, within three months from the date of its publishing.

Article (III)

This Law shall be published in the Official Journal and shall come into force on the day following its publishing.

This Law shall be stamped by the State's Seal and shall be enforced as one of its laws.

Promulgated at the Presidency of the Republic on 10 Rabea' Awal, 1423 H., corresponding to 22 May 2002 AD.

Hosni Mubarak

*Amended on 8th Rabea Al Akhar, 1424 H. (8th June, 2003 AD)

Anti-Money Laundering Law

Article (1)

In applying the provisions of this Law, the following words and phrases shall have the meanings ascribed to them unless otherwise stated:

(A) Funds:

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

(B) Money Laundering:

Any conduct involving the acquisition, holding, 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 this Law, with the knowledge of that, provided that such conduct purports to conceal, disguise or alter the nature, source, location, ownership, or any interest therein, or change the true nature, or to prevent the discovery thereof or impede the identification of the perpetrator of the crime the proceeds of which are these Funds.

(C) Financial Institutions:

1. Banks operating in Egypt, their foreign branches, and branches of foreign banks operating in Egypt.
2. Exchange Bureaux companies, and other entities licensed to deal in foreign currencies.
3. Entities engaged in money transmission activities.
4. Entities operating in securities.
5. Entities engaged in receiving money.
6. The Postal Saving Fund.
7. Entities conducting mortgage activities and entities dealing in mortgage-related 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.

11. Other entities specified by the Prime Minister decree.* This is applicable whether the activities prescribed in this article are undertaken by legal or natural entities.

(D) Proceeds:

Funds directly or indirectly resulted or yielded from committing any of the crimes stipulated in Article (2) of this Law.

(E) The Unit:

The Money Laundering Combating Unit.

(F) The Competent Minister:

The Prime Minister or any minister authorized thereby.

Article (2)**

The Law prohibits laundering of Funds that are the proceeds of the crimes of planting, manufacturing, smuggling narcotics or psychotropic substances or trafficking therein; and the crimes of hijacking means of transport and detaining of individuals; and the crimes in which terrorism as defined under Article (86) of the Penal Code, or the financing thereof falls among its purposes or means of perpetration; the crimes of unlicensed importation, trading and manufacturing of weaponry, ammunition and explosives; and the crimes stipulated in Chapters (1), (2), (3), (4), (15) and (16) of Book II of the Penal Code; the crimes of money theft and usurpation, and swindling and perfidy; and fraud and deceit, and debauchery and prostitution; any crimes against antiquities and the environment crimes related to dangerous wastes and materials; and organized crimes under international treaties to which Egypt is a party, whether such crimes or the money laundering crime took place within the Egyptian territories or abroad, provided that such crimes are penalized by both Egyptian and foreign laws.

*** Added by Law No. 78 for 2003.**

****The statement of "crimes of swindling and perfidy; and fraud and deceit" was added by Law No. 80 for 2003.**

Article (3)

An independent Unit with a special nature shall be established at the Central Bank of Egypt to combat money laundering, wherein the concerned entities shall be represented. The Unit shall assume the responsibilities prescribed under this Law.

An adequate number of experts and specialists in the fields related to the application of this Law shall join the Unit; and it shall be equipped with qualified and trained employees.

Formation of this Unit, its management, work and personnel systems shall be issued by a Presidential Decree, without being restricted by any rules or by-laws applicable to the government, public sector, and the public business sector.

Article (4)

The Unit shall be in charge of receiving reports by Financial Institutions concerning transactions suspected of involving money laundering.

The Unit shall establish a database for all available information, and shall establish the means ensuring that it is accessible to the judicial authorities and other entities responsible for the enforcement of this Law, and to exchange such information and coordinate with national control entities and with foreign competent authorities and international organizations in accordance with international treaties to which Egypt is a party, or in compliance with the reciprocity principle.

Article (5)

The Unit shall undertake all investigations and examination with regard to any reports and information it receives concerning transactions suspected of involving money laundering, and shall inform the public prosecution of the indications turned up by investigations as to the crimes referred to in this Law.

The Unit shall have the right to request the public prosecution to take provisional measures in accordance with Articles 208-a (bis), 208-b (bis), and 208-c (bis) of the Code of Criminal Procedures.

Provisions of the last paragraph of Article (3) of the Bank Accounts Secrecy Law No. 205 of the 1990 added by Law No. 97 of 1992 shall apply to money laundering crime.

Article (6)

Personnel of the Unit designated by a Minister of Justice decree upon the request of the Governor of the Central Bank of Egypt shall have the capacity of law enforcement officers with respect to the crimes stipulated in this Law and related to their duties.

Article (7)

The entities assigned by laws and regulations to supervise Financial Institutions shall be obliged to establish and provide adequate means for verifying that the said Institutions comply with the systems and rules legally established for combating money laundering, including reporting of transactions suspected of involving money laundering.

Article (8)

Financial Institutions are obliged to report to the Unit any suspicious financial transactions that may involve money laundering referred to in Article (4) of this Law, and to establish systems that ensure the obtaining of information on the identification and legal status of their customers and the beneficial owners, whether natural or legal persons, through official or acceptable customary verification means, and to register the information concerning such identification .

Financial Institutions are prohibited from opening accounts or accepting deposits, funds or trusts of anonymous origin, or under false or fictitious names.

The Executive Regulations shall determine the rules to be followed in establishing such systems, and the Unit shall provide the forms used for such purposes.

Article (9)

Financial Institutions are obliged to keep records and documents for local and international financial transactions containing sufficient

information for identifying such transactions; and they should maintain these records and documents and the registers for customers and beneficiaries' information referred to in Article (8) of this Law, for a period of no less than five years from the date the transaction is finalized with the Financial Institution, or from the date of closing the account, as the case may be, and to periodically update such records and documents and put them at the disposal of the judicial authorities, and the relevant entities for the enforcement of this Law, when required, during the examination, enquiry, collection of indications , investigation or trial concerning any of the crimes subject to this Law.

Financial Institutions may during the period referred to above maintain microfilm copies instead of originals, and such copies shall be admissible and have the same legal effect of originals in matters related to evidence if prepared, maintained and retrieved in accordance with the Unit's rules.

Article (10)

No criminal liability action shall be brought against any person who, in good faith, reports any suspicious financial transactions subject to the provisions of this Law, or provides information or data about such transactions in violation of its secrecy rules. No civil liability action shall be brought if such suspicion is founded on reasonable grounds.

Article (11)

It shall be prohibited to disclose to the customer, the beneficiary or any authorities other than those responsible for enforcing the provisions of this Law, of any of the procedures relating to reporting, investigation and examination regarding any financial transactions suspected of involving money laundering or any related information.

Article (12)

Travelers shall still be entitled to carry foreign currency into or out of the country under the law, provided that upon arrival they declare amounts exceeding twenty thousand US dollars, or their equivalent, on the form prepared by the Unit, and subject to its rules.

Article (13)

Without prejudice to any severer sanctions stipulated under the Penal Code or any other laws, the crimes stated in the following provisions shall be penalized by the sanctions provided hereunder.

Article (14)

Any person who commits or attempts to commit a money laundering crime under 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 crime.

In all cases, the seized Funds shall be confiscated, or an additional fine equivalent to the value of these Funds shall be imposed if such Funds cannot be seized, or have been disposed to others in good faith.

Article (15)

Any person who violates the provisions of any of Articles (8,9,11) of this Law shall be penalized by imprisonment and fined an amount not less than five thousand Egyptian pounds and not more than twenty thousand Egyptian pounds, or either.

Article (16)

In case the crime is committed by a legal entity, the natural person responsible for actual management of the violating entity shall be penalized by the same sanctions stipulated for the acts in violation of the provisions of this Law, if it is established that such person had known about the crime, and the crime was committed as a result of the violation of this person's duties.

The legal entity shall be jointly liable for the payment of any financial sanctions and damages if the crime was committed by a person who works therein in the name and on behalf of the entity.

Article (17)

The perpetrator of a money laundering crime shall be exempted from the principal penalty under Article (14) of this Law if the perpetrator reports the crime to the Unit or any other competent authorities prior to their knowledge. The perpetrator shall also be exempted from the principal

penalty if the Unit or the competent authority is aware of the crime, but the reporting leads to the arrest of the other perpetrators or the seizure of the Funds subject of the crime.

Article (18)

The Egyptian judicial authorities shall cooperate with its foreign counterparts in the field of money laundering crimes, with respect to judicial assistance, extradition of accused and convicted persons and the transfer of any related things, in accordance with the rules under bilateral or multilateral treaties to which Egypt is a party, or on the basis of the reciprocity principle .

Article (19)

The authorities referred to in Article (18) of this Law may, in particular, request the adoption of legal measures necessary to trace, seize, or freeze the Funds or proceeds involved in money laundering crimes, without prejudice to the rights of good faith third parties.

Article (20)

Subject to the bilateral or multilateral treaties to which Egypt is a party, the competent Egyptian judicial authorities may order the enforcement of final criminal judgments rendered by competent foreign judicial authorities, concerning the confiscation of the Proceeds and revenue of money laundering.

Bilateral or multilateral treaties may be concluded to regulate the disposal of Funds confiscated by final judgments regarding money laundering crimes rendered by Egyptian or foreign judicial authorities, and such treaties shall include rules for distributing the said Funds among the parties concerned in accordance with the provisions stipulated therein.