

Law no. 1/2010
On combating Money Laundering and Financing of Terrorism

In the Name of

The People;

The President;

Upon;

Reviewing the Constitution of the Republic of Yemen;

and;

Being passed by the House of Representatives;

We Shall enact the following law:

Chapter One
Names and Definitions

Articles 1 This law is called “The Law on combating Money Laundering and Financing of Terrorism”.

Article 2 The words and expressions used hereunder are defined as follows, unless explicitly specified otherwise:

“REPUBLIC” shall mean The Republic of Yemen.

“The Central Bank” shall mean The Central Bank of Yemen.

“The Governor” shall mean Governor of the Central Bank of Yemen.

“The Committee” shall mean the National Committee on Anti-money Laundering and Counter Financing of Terrorism.

“Unit” shall mean the Financial Intelligence Unit (FIU).

“Regulations” shall mean the executive regulations of the said law.

“Funds” shall mean assets of every kind, whether corporeal or incorporeal, movable or immovable, currencies of all kinds, either foreign or local, and legal documents or instruments in any form, securities, *Sukuk*, evidencing title to or interest in such assets, values in addition to any other income on or value accruing from or generated by such assets.

“Proceeds” shall mean the funds derived from or obtained, directly or indirectly from any offence defined in the law hereto.

“Money Laundering” shall mean the act defined in article (3) hereby.

“Financing Terrorism” shall mean the act defined in article (4) hereby.

“Financial Institutions” shall mean the institutions that practice any kind of the 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 facility, undertaking the following tasks:

- a- Accept deposits of all kinds.
- b- Provide credit of all kinds.
- c- Financial Leasing.
- d- Money transfer.
- e- Currency Exchange and conversion.
- f- Issuance of payment instruments in any form, such as credit and debit cards, bank cheques, legal documents and any other banking operations within the scope of the commercial law in force.
- g- The financial guarantees and pledges including the mortgage financing and factoring.
- h- Dealing in the money market instruments, the capital market sales and purchase in foreign currency and in the forward and simultaneous foreign exchange markets.
- i- Dealing in securities including treasury bills.
- j- Providing administrative and consultancy services to the investment portfolios and trustee investment services.
- k- Management and keeping of securities and precious items.
- l- Life insurance and any other insurance products that have investment elements.
- m- The other financial activities identified by virtue of a decision from the Prime Minister and according to the Committee’s proposal.
- n- Non-financial institutions and designated professions are those who perform any of the following activities or operations for their customers or on behalf of them, of any legal form, whether in the form of a company or an individual entity. It shall mean the following:
 - 1. Real estate brokerage.
 - 2. Dealers in precious metals and stones, clerks and notaries.
 - 3. Private firms of lawyers and accountants.
 - 4. Services of founding new companies and their affiliated activities.

5. Other activities identified in a Prime Minister's decree by virtue of the Committee's proposal.

The supervisory and control agencies are as follows according to their specializations:

- a- Central Organization for Control and Auditing.
- b- The Central Bank of Yemen.
- c- The Ministry of industry and Trade.
- d- The Ministry of Telecommunication and Information Technology.
- e- The General Authority for Land, Surveying and Urban Planning.
- f- The Yemeni Standardization and Measurement Authority.
- g- The Yemeni Ministry of Justice.
- h- The Ministry of Social Affairs and Labour.
- i- The Custom Duties Authority.
- j- Any other body established by virtue of a Prime Minister's decision, with the competences of control or supervision body over any of the abovementioned activities of the financial or non-financial institutions, according to a proposal by the Committee.

“Beneficial owner” shall mean the natural person who ultimately owns or controls a customer or an account, the person on whose behalf a transaction is being conducted, or according to his own will.

“Politically exposed persons” any person who is or has been entrusted with prominent public functions in a foreign country, such as a head of state, or government or a high profile politician or judge or a military officer, or in a high profile government post or public figures in a political party as well as of such person's third degree family members.

“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 decision of a judicial authority. 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 temporarily prohibiting the transfer, conversion, disposition 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 authority. The frozen funds or other property shall remain the property of the persons that held an interest in the specified funds or other property at the time of the freezing, and may continue to be administered by the financial institution.

“Walk-in customer” shall mean the customer who does not have a continuous relation with the financial or non financial institution.

“The extended relation” shall mean the financial or commercial relation that was expected to last for a certain period of time when it was first established and it has multiple operations. The extended relation includes any commercial or professional relation related to any of the activities mentioned in the financial or non-financial institutions as long as the institution expected it to last for a certain period of time.

“Confiscation” shall mean the permanent deprivation of property based on a conclusive verdict of a court.

Chapter 2

Money Laundering and Financing of Terrorism Offences

Article (3) criminalizing money laundering:

a- The person who commits a offence of money laundering is any person who commits or refrains from an act that includes gaining money or possessing; disposing of; or moving; managing; keeping; exchanging; depositing; investing; manipulating their value; or moving; transferring them with the purpose of hiding them; layering their source or real nature or place or the means of disposing of them or their ownership or rights, if these funds are proceeds of one of the following offences- whether they were committed inside or outside the Republic, they should fulfill the conditions of knowledge and will, which will be driven from the acts undertaken by the person who committed them:

1. Theft and embezzlement or extortion of public funds by fraud or bribery, or breach of trust as stated in the Criminal and Punishment law.
2. Forging official or customary documents; counterfeiting money, banknotes and coins; promoting counterfeited or inconvertible currency; counterfeiting seals, official documents and their equivalents and offences related to the national economy.
3. Extorting private funds within the scope of the Criminal and Punishment law.
4. Offences stated in the anti-corruption law.
5. Offences of tax evasions custom duties trafficking.
6. Offences of import and trade of weapons.
7. Offences of cultivating, manufacturing and trading narcotic plants and substances inside the country or exporting them. Also bringing alcohols into the country or making them or trading in them or any other activities prohibited by *Sharia* like prostitution or gambling.
8. Membership in an organized criminal group.
9. Sexual exploitation of children and human trafficking.
10. Trading in proceeds of thefts.
11. Trafficking in human beings and migrant smuggling.
12. Smuggling antiquities and historical manuscripts.
13. Counterfeiting trade marks and goods and trading in them.
14. Environment offences.

15. Manipulating financial markets and trading in market instruments on the basis of unpublished information.
16. Offences stated in the Anti-Kidnapping and Highway Robbery Law.

b- Any person who attempted or incited or assisted in committing any of the acts mentioned in paragraph (a) of this article.

Article (4) criminalizing financing of terrorism:

The person who commits the following acts is considered an offender of the of financing of terrorism offence:

a- The person who directly or indirectly collects or provides money by any means, while knowing that it will be used either partially or fully in financing the following acts:

1- Any act or threat of violence under any motive or purpose in implementation of an individual or group criminal project, and aims to terrorize or intimidate a population by harming them, or endangering their lives, or freedom, or security; or harming the environment or any of the public or private utilities or properties, or occupying or seizing them; or endangering any of the national resources; or forcing the government or an international organization to assume or refrain from any act.

2- Any act that constitutes an offence under any related conventions or treaties the Republic had ratified or acceded to.

3- Any act that constitutes an offence under the Anti-kidnapping and Highway Robbery law.

b-Any person attempted to commit, participated or incited or assisted in committing any of the acts mentioned in paragraph (a) of this article.

Offences mentioned in this article do not include cases of struggle by any means against foreign occupation and aggression for the purpose of liberation and self determination, according to the rules of international laws. However, any act against the territorial integrity of any Arab country is not part of these cases of struggle.

Chapter 3

Duties of the Supervisory Bodies and the Financial And Non-Financial Institutions

Article (5) A licence may not be issued for establishing a bank in Yemen unless it has completed its registration and declaration according to the effective laws, and it is verified that it physically exists, under effective supervisory systems. A licence may not be issued for the establishment of an offshore bank branch, unless its headquarters physically exists in the state where it is registered and it falls under effective supervision.

Article (6) The Yemeni financial institutions are not allowed to deal with any other financial institution that does not physically exist in the state where it is registered and does not fall under effective supervision in the state where it is registered. The Yemeni financial institutions are not allowed to deal with counterpart financial institutions that provide services to the globally banned financial institutions under this article.

Article (7) The financial and non-financial institutions are committed to the principle of due diligence in identifying customers and real beneficiaries, both natural or legal persons and to verify their identities, particularly in the following cases:

- a. At the startup of an extended relation with the client.
- b. Completing an operation for a walk-in customer that exceeds the value ceiling stated in the regulations or doing a local or international wire transfer for more than the limit stated in the regulations.
- c. Having doubts in the accuracy or correctness of the previously registered identification data.
- d. Having suspicions about a money laundering or financing of terrorism offence.

- e. Confirming that the corresponding financial institutions have the required effective systems for combatting money laundering and financing of terrorism.
- f. Giving due diligence to electronic operations.

The regulations established the controls that should be applied in the customers' identification process, to verify it and examine the purpose expected from this relation and its nature, according to the special nature of each activity and each client and the margin of risk involved in the operation. This includes the measures and regulations that should apply to the cases that require due diligence in identifying the customers and the cases that allow for the postponement of the verification measures and their related controls.

Article (8) Financial and non-financial institutions shall update the data, information and documents related to the cases stated in article (7) herein, according to the controls specified in the regulations.

Article (9) Financial and non-financial institutions shall undertake scrupulous and continuous follow up of the customers operations, and the sources of their funds if necessary. The purpose of that is to make sure that they are compatible with the information available about their identity, the nature of their activities and the degree of risk involved.

Article (10) Financial and non-financial institutions shall classify their customers and services according to the degree of risk of money laundering and financing of terrorism. It shall exert its utmost efforts in dealing with cases of high degree of risk, including the following:

- a. Unusual transactions that do not have an economic justification.
- b. The transactions and persons associated with states that do not apply effective measures of anti-money laundering and financing of terrorism and the international principles and standards.
- c. Transactions with exposed politically persons.

- d. Examining the transaction and verifying their purpose, registering them and making them available for the concerned authorities, if necessary.

The regulations set out the controls that should be adopted in classifying customers and applying due diligence.

Article (11) Financial institutions that operate wire transfers shall enclose the identity data as stated in the regulations. As for the receiving financial institutions, they should refuse receiving them if the identification data were missing. However, this shall not apply to the following cases:

- a. Transfers through credit and debit cards, provided that the number of the credit or debit card is attached to the transfer.
- b. Transfers among the financial institutions themselves, when the source and the beneficiary are financial institutions working for self-interest purposes.

Article (12) Financial and non-financial institutions shall keep the following:

- a. The records, data and documents related to the client and the real beneficiary's identity and activities for at least 5 years after the end of the institution's relation with them.
- b. The records, data and written reports acquired according to the provisions of this chapter on the financial operations for at least 5 years, effective from the date of executing or attempting on the operation.
- c. Any other records or data to be kept according to the law herein. The regulations stated down all the records and data that should be kept and the measures of storing them to facilitate their retrieval upon request in a reasonable manner accepted by the control and supervisory authorities and courts according to the applicable legislation.

Article (13) Financial and non-financial institutions shall immediately notify the FIU with any suspicious operations related to money laundering or

financing of terrorism, either the operation were completed or not. The regulations established the controls and measures governing this obligation.

Article (14) The notification obligation under article (13) herein shall not apply in the following cases:

- Lawyers and accountants: If they gathered the information related to their customers through evaluating their legal status; or representing them in court; or providing a legal opinion in any issue related to any judicial procedures, including providing initial advice or evasion of such procedures. This applies whether the said information had been acquired before or during or after the completion of the judicial procedures.
- Merchants of valuable metals and precious stones: for cash operations less than the limit stated in the executive regulations.
- Real estate brokers in serving their customers in matters unrelated to sales and purchase.

Article (15) Any person working in the financial or non-financial institutions shall not disclose, either directly or indirectly, or by any means to the customers or beneficiaries or anybody else except the competent authorities under this law, any notification, enquiries or examination measures taken in relation to the suspicious operations of money laundering and financing of terrorism.

Article (16) The notification does not result into any criminal or civil or administrative or disciplinary liability for any natural or legal person who notifies upon duty –bone fide- about any suspicious operations, or provides any information or data about them under the law herein.

Article (17) Each of the control and supervisory bodies, respectively and in its own capacity, circulates the consolidated list issued by the Security Council to freeze the funds of individuals and entities identified, among the financial and non-financial institutions. Accordingly, the financial and non-financial institutions shall freeze these funds and promptly report to the

concerned authorities any information available in this regard. The afflicted party has the right to follow all the available diplomatic, legal and judicial means to defreeze and delist his name. The regulations stated the mechanism of receiving and distributing the lists issued by the Security Council, the delisting measures, the correction of names and dealing with humanitarian cases.

Article (18) Financial and non-financial institutions shall put in place all the systems required to apply this law, provided that these systems include internal policies, measures, supervision systems, training and recruiting compliance officers in these institutions are according to the rules, standards and regulations set out by the concerned supervisory bodies.

Article (19) The body overseeing the non-profit organizations, according to the related laws in force, should apply an effective system of supervision to prevent misusing them for the purpose of money laundering and financing of terrorism, and to issue the regulations and instructions required to organize it.

Article (20) No person shall hold an activity for transferring cash or values without getting a licence from the concerned authority.

Article (21) The concerned control and supervisory bodies shall be committed to the following:

a- Verifying that all the financial and non-financial institutions that fall under their supervision and control had satisfied their obligations hereto.

b- Adopting the measures required for setting out discipline standards to organize the ownership, management and operation of financial insititutions.

c- Notifying the Unit with any information on suspicious transactions in relation to money laundering or financing of terrorism.

- d- Issuing any instructions, guidelines and recommendations to assist the financial and non financial institutions in applying the provisions of this law, including the suspicious indications, according to the international and national standards.
- e- Effective cooperation and coordination with the rest of the concerned local and counterpart authorities in providing assistance and inquiries, and in all phases of investigations and trial related to AML/CFT.
- f- Assigning specialists to fulfill the requirements hereto.

Article (22) The Prime Minister may decide, according to the Committee's proposal, to exclude any category of the financial or non-financial institutions or any specific institution from the obligations under this chapter, upon his discretion, putting into consideration the size or nature of their activities or for any other considerations relevant to the meagreness of the risks of AML/CFT.

Article (23) Each person shall disclose upon his arrival or departure from Yemen, and upon the costum duties request, the cash amounts or any negotiable instruments, either in the local or foreign currencies, the precious metals and stones, if their value exceeded the limit set out in the regulations. The disclosure should be true and according to the disclosure form.

Article (24) The costum duties have the right to seize the funds and financial instruments under the aforementioned article (23), in accordance with the provisions of the custom duties law in force, if they were not disclosed, or if they were disclosed in a way against the provisions of the said article or if there is a susupicion of money laundering or financing of terrorism. In this case, the Unit shall be immediately notified.

Article (25) The financial and non-financial institutions shall not undertake the activities under article (2) herein without a prior licence from the concerned authorities, according to the laws in force.

Chapter 4
The National Committee on Anti-Money Laundering
And Financing of Terrorism

Article (26)

a- Under the provisions hereto, a committee called ‘ the National Committee on AML/CFT’ shall be established by virtue of a Prime Minister’s decree, upon a proposal by the Minister of Finance. The said Committee comprises the following bodies, according to the nominations provided:

1- Ministry of Finance	head of Committee
2- The Central Bank	deputy head
3- The Central Organization for Control and Accounting	member
4- The National Security	member
5- Ministry of Justice	member
6- Ministry of Interior	member
7- Ministry of Foreign Affairs	member
8- Ministry of Industry and Trade	member
9- Ministry of Labour and Social Affairs	member
10- The Banks Association	member
11- The General Federation of the Chambers of Commerce and Industry	member
12- The General Authority of Investment	member

b- The Committee selects a rapporteur from its members.

c- The Committee shall hire, upon its discretion, the experts, specialists and technical specialists required to assume its job.

Article (27) The Committee shall have the following competences:

a- Propose the policies related to AML/CFT to the Ministerial Cabinet for adoption.

b- Set out the systems and measures required for AML/CFT and submit to the Ministerial Cabinet for adoption, in accordance with the provisions hereto and the regulations.

- c- Establish and adopt the Committee by-laws according to the provisions herein.
- d- Coordinate and facilitate the exchange of information on AML/CFT among the bodies represented in the Committee and the Unit.
- e- Provide the unit with the information it possesses on operations related to money laundering and financing of terrorism.
- f- Receive performance reports from the Unit on its completion of duties stipulated herein and undertake any necessary action.
- g- Hold seminars and workshops on AML/CFT.
- h- Represent the Republic of Yemen in international events on AML/CFT.
- i- Discuss the budget proposed by the Committee and submit it to the concerned authorities for adoption.

Article (28) For the purpose of facilitating its tasks and duties as identified by law and regulations, the Committee may establish any relations and communications with its counterparts in different countries as well as in international and regional organizations. It may specifically do the following:

- a- Exchange information, experts and expertise.
- b- Receive technical assistance in the field of AML/CFT.
- c- Hold effective coordination in the field of AML/CFT.

Article (29) The Committee shall submit a quarterly report on its activities to the Ministerial Cabinet or upon request.

Chapter 5

Financial Intelligence Unit

Article (30)

a- An independent unit shall be established under the Central Bank, in accordance with the provisions herein. The said unit is called the Financial Intelligence Unit. It shall be established by a Prime Ministerial decree, by virtue of a proposal submitted by the Governor of the Central Bank. It shall be composed of a head of committee and a number of specialized and expert members as follows:

- Financial experts in organization and supervision.
- Law enforcement experts.
- An information systems expert.
- A legal expert.

The Committee shall be provided with a sufficiently qualified staff, technically and scientifically to undertake its tasks. It is also provided that all members and staff should work on full-time basis. The compliance and assessment officers overseeing the level of commitment in the supervision and control authorities shall function as liaison officers with the Unit.

The Committee shall prepare the by-laws required for its functions, including the organization chart and the administrative and operational systems to be submitted to the ministerial cabinet for adoption.

Article (31) the Unit shall undertake the following tasks:

a- Receiving and analyzing the notifications sent by the financial and non-financial institutions and the control and supervisory bodies on the money laundering or financing of terrorism suspicious operations and then submit these notifications to the concerned bodies to take action, if necessary.

The Unit shall establish a database of the information in possession and shall make it available for the Public Prosecution, according to the criminal procedures law.

b- Requesting any additional information that are considered useful for its function, if this information is related to any previous feed of

information received during its course of action, or upon a request received from its counterpart units in other countries.

The parties obliged to notify, shall provide the Unit with the said information in a maximum period of one week, from the date of request, unless the Unit decides on a different deadline, and this shall be in the form applied by the Unit. In case of emergencies, the Unit may decide on a shorter deadline, according to the rules drawn in the regulations.

c- Submitting the notifications, if the Unit have serious indications on suspicious money laundering or financing of terrorism operations to the Public Prosecution, with all the required and relevant attachments of evidence.

d- The Unit may request the following agencies to send any additional information in relation to the notifications received, if they are considered useful to assume its job, or according to a request received from a foreign AML unit:

1. The agencies obliged to notify.
2. The supervision and control bodies.
3. Any other government authorities.

The aforementioned bodies shall provide the Unit with the information required in a maximum period of 2 weeks from the date of request.

e- Notifying the Committee and the concerned supervision and control bodies with any violation committed by the financial or non-financial institutions under this law to the provisions herewith.

f- Publishing regular activity reports, in particular the statistics and analytical studies on AML/CFT.

g- The Unit may carry out field visits to the agencies and institutions incorporated herein to verify its commitment to the provisions hereto and the related executive regulations.

h- Participating in the regional and international seminars, workshops, conferences and meetings related to the Unit's competences.

Article (32)

a- The Unit may, upon its own initiative or by virtue of a request from its counterpart units in other countries exchange information with them, if it is committed to the rules of confidentiality and the principle of reciprocity, provided that the Committee shall be furnished with copies of these information.

This information shall not be used for any other purpose apart from AML/CFT purposes, unless a relevant approval is ensured from the providers.

b- For the purpose of paragraph (a), the Unit may conclude Memoranda of Understanding with foreign counterpart units with similar functions and committed to the same obligations of confidentiality.

Chapter 6

International Cooperation, Exchange of Information and Extradition

Article (33) The Committee shall submit the reported information received from any state indicating that a person, either a resident or existing in the Yemeni Republic had committed any of the offences stated in the law to the Unit, which consequently, analyzes the information and submits them to the competent authorities, according to the provisions hereto.

Article (34)

a- The Committee may, under the provisions herein, and upon an official request from any state, provide her with information on a specific operation as per the request, if it is related to any of the money laundering and financing of terrorism offences stipulated herewith.

b- Without detriment to the bilateral or multilateral conventions on mutual legal assistance, which the Republic is party to and the principle of reciprocity, the concerned judicial authorities may present any of the following legal mutual assistance:

1. Provide a letter rogatory for counterpart authorities in hearing the witnesses and experts' testimony.
2. Disclose the judicial documents received from the counterpart authorities.
3. Provide original copies or authenticated or signed copies of the documents and records, including the banking or financial papers or companies records or commercial operations.
4. Detect or trace the criminal proceeds or funds or properties or instruments or other things for the purpose of proof or confiscation or taking any provisional measures against them, including freezing or seizure.
5. Undertake measures of searching or seizure.
6. Undertake any form of legal assistance, in congruence with the laws in force.

c. If the mutual assistance request is related, either in full or in part to money laundering or financing of terrorism, it should be directly submitted to the Committee or through the usual diplomatic channels, provided that the requests include the following information:

1. The identity of the authority requesting assistance.

2. A brief of the subject issue or a summary of case related to the request.
 3. Explanation of the kind of assistance requested and the purpose of requesting it.
 4. The identity of the subject person, his residential address and nationality.
- d. Additional information may be requested from the country requesting assistance for the purpose of executing the request.
- e. The request may be rejected in the following cases:
1. If the request is issued by a competent authority, in accordance with the domestic law of the requesting country, or if it were not furnished according to the laws in force, or if the content breached paragraph (c) of this article.
 2. If executing it holds the probability of infringing the Republic's security, regime, sovereignty, public order or fundamental interests.
 3. If the offence forwarded in the request, were subject to a criminal action or a final verdict in the Republic.
 4. If there were fundamental reasons to believe that the request targets the concerned person because of his race, religion, nationality, ethnic origin, political views, gender or position.
 5. If the subject offence in the request is not mentioned, or does not have any common features with the offence stated in the enforced laws.
 6. If the enforced laws do not allow undertaking the requested measures, or any other measures with similar effect, or do not allow using them in relation to the requested subject offence.
 7. If the request cannot be enforced under the executed laws.
 8. If the rights of the person subject to the request are not guaranteed.
- f. If the request were rejected, the concerned authority in the Republic shall immediately inform the competent foreign authorities about the reasons of rejection.

Article (35)

- a- Without detriment to the bilateral or multilateral conventions on mutual legal assistance which the Republic is party to, the confiscation requests related, either in part or full to money laundering or financing of terrorism offences, shall be directly submitted to the Committee or through the diplomatic channels.
- b- The confiscation shall not be carried out unless a final verdict is in place.

c- The mutual assistance request shall include, in addition to the information stated in paragraph (c), article (34) hereof, an official copy of the final verdict on confiscation. The additional information may be requested from the state requesting mutual assistance for the purpose of enforcing this verdict.

d- The Committee shall submit the confiscation requests to the competent judicial authorities for examination according to the law.

e- In all cases, the state requesting confiscation cannot get hold of these funds or their returns, except upon signing a bilateral agreement with it on the sharing of these funds.

Article (36) The requesting state shall not have the right to submit the information or evidence sent to her to a third party, in accordance to the two previous articles, or to use them in any investigations or any kind of prosecution or judicial procedures, except for the purpose identified in the request.

Article (37) It is allowed to extradite foreigners sentenced under the offences stated hereof and in the other enforced laws and international conventions ratified by the Republic, and according to the principle of reciprocity, upon an approval from the General Prosecutor.

Chapter 7

Investigation and Prosecution Procedures

Article (38) The Public Prosecution assumes the direct authority of running investigations and filing criminal actions to court for money laundering and financing of terrorism offences and the related offences defined hereof.

Article (39) Law enforcement officers and prosecutors have the right to use the competencies and authorities under the criminal procedures law for the purpose of detecting, seizing and tracing the offence proceeds.

Article (40) The Public Prosecution may request the competent court to take provisional measures and procedures, including seizure and freezing of the funds and properties earned as proceeds of money laundering or financing of terrorism offences, under the criminal procedues law.

Chapter 8

Penalties

Article (41) Without detriment to any more severe penalty stipulated in any other law, any person commits any money laundering or financing of terrorism offences shall fall under the following penalties:

- a. A maximum imprisonment of seven years.
- b. Confiscation by virtue of a final verdict in favour of the State Treasury's benefit of all the funds and returns earned from money laundering and financing of terrorism offences and their related offences without detriment to the right of bona fide parties.
- c. The court may pass any complementary penalty, according to the laws in force.
- d. The abatement of a criminal action does not obstruct, for any reason whatsoever, the judgement of confiscating the funds earned as proceeds of money laundering or financing of terrorism operations, including confiscating the instruments used in money laundering and financing of terrorism and any properties possessed by the accused person or by a third party.

Article (42)

- a. The criminal action of any of the offences hereof shall not lapse by time.
- b. The penalties sentenced hereof shall not abate by time.

Article (43)

- a. A penalty of a maximum one year imprisonment and/or a fine ranging from a minimum of 100,000 and a maximum of a million Riyals, shall be imposed on any person violating any of the provisions of articles (6,7,8,10,11,12,13,15,17,18,20,25) hereof.
- b. Any person violates article (23) hereof shall pay a maximum fine of 100,000 Riyals, and the subject funds shall be seized until they are released by a decision from the Public Prosecution, if it were not proven that it were linked to another offence.

Article (44) If the offence were committed by a legal person, the natural person responsible for the virtual management of the violating legal person, shall be punished with the same penalties imposed on violating the law hereto, if it were proven that he knew about it, and the offence took place because of his failure or negligence in assuming his professional duties.

The legal person shall have a joint and several liability to pay the compensation incorporated in the verdict, if the offence were in breach to the law herein and were committed by one of his staff, under his name and for his interest.

Article (45) Any of the perpetrators initiated and reported the offence to the Unit or any of the concerned authorities before having knowledge of it, shall be exempted from the original penalties defined hereof.

Chaper 9

Concluding Provisions

Article (46)

- a. Provisions hereof apply to the financial and non-financial institutions and the designated professions under this law and the branches of foreign financial institutions within the territories of the Yemeni Republic which have their headquarters overseas.
- b. Financial and non-financial institutions, which have their headquarters within the Republic and offshore branches, shall oblige the said branches to abide by the AML/CFT measures and procedures related to combatting money laundering and financing of terrorism outlined herewith, within the scope of the domestic laws of the countries where these branches are located.

Article (47) The committee shall have an independent budget under the State Budget.

Article (48) The Unit shall have an independent budget covered by the Central Bank.

Article (49) Members of the FIU shall enjoy the capacity of law enforcement officers while assumng their duties.

Article (50) No one can use financial or banking confidentiality as a reason for not cooperating with the FIU or the investigation or prosecution authorities in assuming their duties in implementing the law hereto.

Article (51) The executive regulation of this law shall be issued by virtue of a Presidential decree, after its submission by the Committee and approval of the Council of Ministers.

Article (52) Law 35/2003 on AML and any provision or text that is contrary to the law hereby shall be repealed.

Article (53) The law shall shall come into effect upon being passed and shall be published in the official gazette.

Issued at the presidency – Sana'a

Ali Abdullah Saleh,

The President of The Republic.