

Implementing Regulations of the Law of Combating Terrorist Crimes and its Financing

Article 1

The financial activities or transactions referred to in Article 1(14) of the Law are:

1. accepting deposits and other payable funds, including private banking services;
2. lending, finance leasing, or any other financing activity;
3. providing wire transfer or currency exchange services;
4. issuing and managing payment instruments, including: credit cards, debit cards, checks, traveler's checks, payment orders, bank transfers, and electronic currency;
5. issuing letters of guarantee or other securities;
6. engaging in foreign currency exchange;
7. participating in the issuance of securities and the provision of financial services;
8. managing investment portfolios;
9. maintaining and managing cash or securities on behalf of others;
10. concluding contracts of protection, savings, or other investment-related types of insurance, in the capacity of an insurer, broker, or agent in an insurance contract or any insurance company product;
11. investing and managing funds on behalf of others; and
12. engaging in activities related to securities, as provided in the Capital Market Law and its Regulations, or the following trading activities:
 - a. certificates of deposit, derivatives, and other instruments;
 - b. currencies;
 - c. currency exchange instruments, interest rates, and financial indicators;
 - d. tradable securities and financial derivatives; and
 - e. commodity futures contracts.

Article 2

Commercial or professional activities referred to in Article 1(15) of the Law are:

1. real estate brokerage;
2. trading in gold, precious stones, or metals where the value of the transaction exceeds 50,000 Saudi riyals, whether said transaction is carried out in a single transaction or seemingly-linked multiple

- transactions, and whether carried out through a sole proprietorship or a commercial company; and
3. legal or accounting services relating to any of the following activities that are provided by lawyers, accountants, or other persons in the practice of their profession:
 - a. customer's purchase, sale, or lease of real property;
 - b. management of a customer's funds, including his bank or investment accounts or his other assets;
 - c. establishment, operation, or management of entities with legal personality or subject to a legal arrangement, or the organization of subscriptions related thereto; and
 - d. customer's acquisition or sale of commercial companies.

Article 3

Activities that a customer conducts or attempts to conduct with a financial institution or a non-financial business and profession, referred to in Article 1(17) of the Law are:

1. arranging or performing any transaction or business relationship, or opening an account for the customer;
2. signing an approval of any transaction, business relationship, or account;
3. designating an account for a certain transaction;
4. transferring an account, rights, or liabilities pursuant to a certain transaction; and
5. authorizing the customer to conduct a transaction or control a business relationship or an account.

Article 4

The term *monitoring agency* referred to in Article 1(22) of the Law shall include the following agencies, each within its jurisdiction:

1. Ministry of Justice;
2. Ministry of Labor and Social Development;
3. Ministry of Trade and Investment;
4. Saudi Arabian Monetary Authority; and
5. Capital Market Authority.

Article 5

1. For purposes of applying Article 5 of the Law, the Public Prosecution shall be immediately notified upon arresting a suspect for committing

one of the crimes stipulated in the Law, and the suspect shall be brought before it upon completion of the pre-investigation proceedings within seven days from the date of his arrest.

2. If the pre-investigation proceedings and examination of the suspect require extension of the period referred to in Article 5 of the Law, the Presidency of State Security shall file a reasoned request to the Public Prosecutor or his designee to issue a written order extending such period for a period or periods not exceeding seven days in aggregate.

Article 6

1. Upon receipt of a request in accordance with the provisions of Article 6 of the Law, the agency monitoring a financial institution shall immediately refer such request to the financial institution without giving notice to the concerned party, to submit required records, documents, or information to the monitoring agency within the period and manner specified in the request.
2. Any person, designated non-financial business and profession, or non-profit organization shall, upon receiving a request for providing any records, documents, or information in accordance with Article 6 of the Law, execute the request within the period and manner specified in the request.
3. The monitoring agency shall, upon receiving the required records, documents, or information, immediately notify the requesting agency and provide it with such records, documents, or information within the period and manner specified in the request.

Article 7

In implementation of Article 7 of the Law:

1. A warrant to enter and search residences shall be issued by the head of the public prosecution branch in the area or his designee.
2. A warrant to enter and search non-residential premises shall be issued by an investigator having territorial and subject-matter jurisdiction.
3. A warrant to enter and search residences, offices, or buildings shall be in writing. The warrant shall be reasoned and shall include the name, signature, and capacity of the person who issued it; date and time of issuance; and scope of the search.
4. The exigent circumstances referred to in Article 7(3) of the Law, where no warrant is required to enter and search residences, offices, or buildings shall include:

- a. Cases of flagrante delicto in crimes stipulated in the Law.
- b. If, based on field or technical investigation, it is established that failure to respond promptly might result in the escape of wanted persons; destruction, disposition of, or removal of evidence relating to any of the crimes stipulated in the Law; or loss of crime funds, proceeds, means, documents, possessions, and the like.

Reasons and findings of the search shall be submitted to the Public Prosecution within a period not exceeding 24 hours from completion of such search.

Article 8

1. If proceedings in a case are stayed in accordance with the provisions of Article 11 of the Law, the Public Prosecution may refer the case to the pre-investigation agency , and it may resume the case if the need arises.
2. If the stay of proceedings does not apply to other accused persons in the same case, the Public Prosecution may assign separate papers for those against whom the proceedings are stayed.

Article 9

The security concerns referred to in Article 12 of the Law shall include the following:

1. fear of escaping or disappearing; and
2. undermining the investigation.

Article 10

The terms and conditions of provisional release referred to in Article 13 of the Law shall be as follows:

1. the provisional release does not entail any security concerns;
2. the provisional release shall be granted for social or health reasons, or reasons relating to a pre-investigation procedure; and
3. the released person shall comply with procedures and restrictions stipulated in the provisional release order.

Article 11

1. The Saudi Customs shall, in accordance with its powers, apply the provisions stipulated in Article 17 of the Law, in cases of suspicion of terrorism financing, whether or not a true or false declaration is submitted.

2. The Saudi Customs shall require any person carrying currencies, bearer negotiable instruments, gold bars, precious metals or stones, or jewelry suspected to be used in financing terrorism, if any, to provide any information relating to the source and purpose of such items, or any other information it deems necessary.
3. The Saudi Customs shall prepare a report stating grounds for suspicion, a list of seized items, any other relevant information, and action taken .
4. The Saudi Customs shall take any additional measures in the carrying out of its duties relating to the combating of terrorism financing.

Article 12

1. If the interest of the investigation requires the detention of the person accused of committing any of the crimes stipulated in the Law, the investigator shall issue a warrant for his detention for a period not exceeding 30 days from the date of referral to the Public Prosecution. If the investigator decides to extend such period, he shall, prior to its expiry, refer the case to the head of the Public Prosecution branch or his designee from among the heads of departments within his jurisdiction, to issue an order extending his detention for a period or successive periods, none of which exceeds 30 days and the aggregate of the successive periods does not exceed 180 days from the date of referral to the Public Prosecution. In cases requiring longer detention periods, the matter shall be referred to the Public Prosecutor, or his designee from among his deputies, to issue an order extending detention for a period or successive periods, none of which exceeds 30 days, and the aggregate of which does not exceed 12 months from the date of referral to the Public Prosecution.
2. The detention department shall coordinate with the Public Prosecution in ample time prior to the expiry of the period or periods stated in the detention warrant, and the accused may not be released except pursuant to an order issued by the Public Prosecution.

Article 13

An order issued by the Public Prosecution in accordance with Article 20 of the Law banning contact with the accused shall specify the persons covered by such order.

Article 14

Final foreign judgments relating to terrorist crimes or its financing, including judgments relating to the confiscation of funds, proceeds, or means associated with any crimes referred to in Article 24(3) of the Law shall be enforced in accordance with the Kingdom's laws. To consider a request from a foreign state, the following must be satisfied:

1. attachment of an official copy of the judgment and the legal basis upon which it was based, along with proof that the judgment is final and that it was rendered by a competent court in the requesting state;
2. the person against whom the judgment was rendered was summoned to appear before the court and was duly represented and given the opportunity to defend himself;
3. the judgment shall not conflict with the provisions of Sharia and public order in the Kingdom;
4. the judgment shall be enforceable;
5. the judgment shall not conflict with a judgment previously rendered by a court in the Kingdom in the same case;
6. the judgment sought to be enforced does not relate to a crime being considered by a court in the Kingdom;
7. attachment of a list of procedures and measures taken by the requesting state for the protection of bona fide persons; and
8. attachment of a description of the funds subject of enforcement, estimate of their value, their potential location, information relating to any person holding or in possession of such funds, and a statement of the facts upon which the request is based.

Article 15

The competent authority referred to in Article 62 of the Law, in charge of the recovery and division of confiscated funds, proceeds, or means among states that are signatories to valid treaties and agreements with the Kingdom, is the Standing Committee for Legal Assistance Requests at the Ministry of Interior.

Article 16

Upon assessment of risks of terrorism financing in accordance with the provisions of Article 63 of the Law, financial institutions, designated non-financial businesses and professions, and non-profit organizations shall observe the following:

1. risk factors associated with customers and factors associated with the beneficial owner or the beneficiary of the transactions;
2. risk factors arising from countries or geographic areas where the customers conduct their business, or from the source or purpose of the transaction;
3. risks arising from the nature or channels of delivery of the products, services, or transactions offered; and
4. any risks identified at the national level, or any variables that may increase or decrease risks of terrorism financing, the purpose of the account or business relationship, the volume of deposits or transactions carried out by the customer, the frequency of his transactions, or the duration of the business relationship.

Article 17

1. Financial institutions and designated non-financial businesses and professions shall apply the due diligence measures referred to in Article 64 of the Law in the following cases:
 - a. prior to opening an account or establishing a business relationship;
 - b. prior to conducting a transaction for the benefit of a customer with whom they have no business relationship, whether such transaction is conducted only once or through multiple transactions where they appear to be linked;
 - c. prior to conducting a wire transfer for the benefit of a customer with whom they have no business relationship;
 - d. upon suspicion of a terrorism financing transaction, regardless of the amount; and
 - e. upon suspicion of the accuracy or adequacy of their customer's particulars.
2. Financial institutions and designated non-financial businesses and professions shall, in the absence of suspicion of terrorism financing, apply due diligence measures based on the type and level of the risk posed by the customer or the business relationship associated therewith, in proportion to the specified risks. Due diligence measures shall be strengthened or mitigated depending on the levels of risks posed. In cases of suspicion of terrorism financing, enhanced due diligence measures shall be applied.
3. Financial institutions and designated non-financial businesses and professions shall apply due diligence measures, including, at a minimum, the following:

- a. verifying the customer's identity by using documents, data, or information from a reliable and independent source, as follows:
 - i. for a natural person: obtaining and verifying his full name as stated in official records, residence address or registered national address, place and date of birth, and nationality.
 - ii. for a person with legal personality or subject to a legal arrangement: obtaining and verifying its name, legal structure, proof of incorporation, powers, names of directors and senior staff, registered official address, and the place of business, if different from the registered official address.
 - iii. requesting and verifying any additional information according to the risks posed by the customer.
 - b. verifying that the person acting on behalf of the customer is authorized to act in such capacity and verifying his identity, in accordance with the procedures stipulated in paragraph (a) of this Article;
 - c. verifying the identity of the beneficial owner by using documents, data, or information from a reliable and independent source, as follows:
 - i. verifying the identity of the person who owns or controls (25%) or more of the legal person.
 - ii. in the absence of ownership or controlling share as stipulated in paragraph (1) above, or suspicion that the controlling shareholder is not the beneficial owner, the identity of the natural person exercising control over the legal person shall be verified by all means possible.
 - iii. verifying the identity of the originator or administrator of the legal arrangement, the beneficiaries or classes of beneficiaries, and any other natural person exercising actual and ultimate control over the legal arrangement or holding a position similar to other types of legal arrangements.
 - d. determining the purpose and nature of the business relationship and obtaining any additional information as needed.
 - e. determining the structure of ownership and control over the customer, whether a person having a legal personality or subject to a legal arrangement; and
 - f. any other measures imposed by the monitoring agency on financial institutions and designated non-financial businesses and professions.
4. To avoid any interruption of the normal conduct of business, financial institutions and designated non-financial businesses and professions

may postpone the verification of the identity of the customer or the beneficial owner until after the establishment of the business relationship, provided the following are promptly taken:

- a. appropriate and effective measures to control risks of terrorism financing; and
 - b. taking appropriate risk management measures if the customer is permitted to benefit from the business relationship prior to the verification process.
5. Financial institutions and designated non-financial businesses and professions shall apply due diligence measures to all business relationships according to risk level, audit transactions conducted during the business relationship to verify their consistency with the customer's information, activities, and the risks posed by him. They shall also verify that documents, data, and information gathered while exercising due diligence are relevant and up to date through auditing their records, particularly those relating to high risk customers, and applying measures of due diligence to current customers and beneficial owners at appropriate times based on their importance and the risks associated with them.
6. Financial institutions and designated non-financial businesses and professions shall, in cases where application of due diligence measures is not feasible, take the following:
- a. refuse to open an account for a new customer, establish a business relationship with him, or execute any transaction for his benefit; and
 - b. terminate the business relationships they have with their customers or existing business relationships.

In all cases, they shall report the matter to the General Directorate of Financial Intelligence.

7. Due diligence measures may not be applied in cases where the financial institutions and designated non-financial businesses and professions suspect that a terrorism financing operation is underway and they believe that exercising due diligence may alert the customer of such suspicion. In such case, they shall promptly file a report of the suspicious operation to the General Directorate of Financial Intelligence and state the reasons as to why due diligence was not applied.

Article 18

1. In setting the policies, procedures, and rules referred to in Article 67 of the Law, financial institutions, designated non-financial businesses and professions, and non-profit organizations shall include therein the following:
 - a. provisions relating to the measures provided in the Law and Regulations, including those relating to risk management procedures of business relationships taken prior to completion of customer verification;
 - b. procedures for reporting suspicious transactions;
 - c. appropriate measures for the compliance department for combating terrorism financing, including the appointment of a compliance officer at the senior management level;
 - d. any additional measures adopted by the monitoring agency for the combating of terrorism financing;
 - e. adequate screening procedures to ensure that recruitment meets high standards;
 - f. continuing employee training programs;
 - g. an independent audit procedure to test the effectiveness and adequacy of policies, procedures, and rules for combating terrorism financing; and
 - h. risk management obligations associated with the operations of their subsidiaries outside the Kingdom and limitation thereof, as appropriate.

It shall be taken into account, upon setting such policies, procedures, and rules, that they comply with the nature and volume of their business.

2. Financial institutions and designated non-financial businesses and professions shall ensure that all of their branches and subsidiaries in a foreign country, in which they hold a majority share, comply with the requirements set forth in the Law and Regulations in cases where the requirements of combating terrorism financing in a foreign country are less stringent than those provided for in the Law and Regulations. If this is not permitted by the foreign country, the financial institutions and designated non-financial businesses and professions shall notify the monitoring agency in the Kingdom of the same, and shall comply with any instructions received from the competent monitoring agency in this regard.
3. Based on the outcomes of risk assessment, financial institutions, designated non-financial businesses and professions, and non-profit

organizations shall implement and update, monitor, and enhance, when necessary, internal rules, policies, and procedures for combatting terrorism financing. This shall include determining the risk level and proper measure for the effective management and mitigation of such risk.

Article 19

The legal arrangement provided for in these Regulations shall include any legal relationship established between multiple parties under an agreement, such as trust funds or other similar arrangements.

Article 20

The receiving, sending, or intermediary financial institutions of wire transfers shall comply with the requirements issued by the Standing Committee for Combating Terrorism and its Financing.

Article 21

1. The competent agencies provided for in Article 72 of the Law are the Public Prosecution and the Presidency of State Security, each within its jurisdiction. Said agencies shall coordinate with relevant agencies, when necessary.
2. Requests for controlled delivery of funds shall be executed in accordance with the provisions of the Procedures for the Implementation of the International Convention for the Suppression of Financing of Terrorism.
3. The Presidency of State Security may, in assisting investigations, allow funds, proceeds, or means likely to be used in any of the crimes stipulated in this Law into or through the Kingdom's territory, in order to identify persons related to the commission of any of the crimes stipulated in the Law.

Article 22

1. The extradition referred to in Article 73 of the Law shall be governed by the bilateral agreements signed between the Kingdom and other states and the Kingdom's obligations under international conventions or protocols to which the Kingdom is party, or subject to the principle of reciprocity.
2. The act for which the extradition request is made must constitute a crime in the Kingdom and the requesting state .

3. An extradition request shall not be considered unless the following requirements are satisfied:
 - a. the request shall be in writing and delivered through official channels;
 - b. attachment of the original or a true copy of the conviction judgment or the detention order issued against the person sought to be extradited;
 - c. a list of crimes for which the extradition request is made as well as detailed information of such crimes, including time and place of commission;
 - d. all necessary information to identify the person sought; and
 - e. any other information the competent agencies deem necessary for the execution of the request .
4. An extradition request, whether for nationals or residents, may be rejected. In cases of rejection, the matter shall be immediately referred to the Public Prosecution for the prosecution of the crime stated in the request.

Article 23

1. To carry out its duties, the General Directorate of Financial Intelligence may take all necessary measures, including the following:
 - a. use of modern technology; and
 - b. development and update of forms for reporting suspicious transactions to be used by financial institutions, designated non-financial businesses and professions, and non-profit organizations.
2. Upon receiving reports and information relating to a crime of terrorism financing, the General Directorate of Financial Intelligence shall conduct the following:
 - a. operational analysis: the use of information to identify specific targets, to track certain activities or transactions, and to determine links between such targets and potential proceeds of terrorism financing crimes; and
 - b. strategic analysis: the use of information, including data submitted by other competent agencies, to identify the trends and patterns of terrorism financing crimes.

Article 24

1. In cases where the monitoring agency obtains information from a foreign counterpart for monitoring purposes in accordance with Article 82(5) of the Law, such agency shall obtain the consent of the

counterpart foreign agency prior to the transfer or use of such information. In the case where the monitoring agency is required to disclose or report such information, it shall immediately inform the foreign counterpart of such requirement.

2. The agency monitoring financial institutions may, in implementation of Article 82(5) of the Law, conduct inquiries on behalf of counterpart foreign agencies, and may, at its discretion, authorize such agencies to conduct the inquiries or facilitate the same, for purposes of consolidated monitoring at the level of the financial group supervised by the monitoring agency.

Article 25

1. The rights of victims and persons of similar status referred to in Article 85(1) of the Law shall be protected by raising their awareness of their rights and providing them with the assistance and support needed, including the hiring of lawyers.
2. Protection of persons referred to in Article 85(2) of the Law through one or more of the following:
 - a. provision of personal protection;
 - b. provision of temporary residence;
 - c. non-disclosure of identity information;
 - d. designation of a telephone number for reporting a situation where the protected person is exposed to danger or harm;
 - e. monitoring the means of communication upon obtaining the written consent of the protected person ;
 - f. recommending the assignment of the protected person to work at another place upon obtaining his written consent; and/or
 - g. concealing the particulars of the witness or the informant in a manner that does not reveal their identity.

The relevant agencies may take other measures to ensure the safety of persons referred to hereinabove.

Article 26

These Regulations shall enter into force on the day following the date of its publication in the Official Gazette.