

**A Report on Initiatives
And Actions Taken by Saudi Arabia
To Combat Terrorist Financing
And Money Laundering**

Saudi Arabian Monetary Agency
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Foreword

Following the horrific events of 11 September 2001, an international coalition composed of over 100 nations emerged to combat terrorism. The Kingdom of Saudi Arabia is a full partner in this global coalition.

Saudi Arabia is dedicated to moderation and harmonious coexistence in the global community and is strongly opposed to all acts of violence and terrorism. Since the September 11 event, Saudi Arabia has been at the forefront of a more proactive, vigilant and collaborative global campaign to fight the dual menace of terrorist financing and money laundering. It has taken many additional legislative and administrative steps and actions to strengthen its legislative and regulatory framework, enhance its investigative capabilities and implement effective enforcement actions. This document identifies and highlights many concrete examples of such actions.



TABLE OF CONTENTS

Foreword	1
Table of Contents	2
Executive summary	3
A summary of major resolution adopted and agreements signed by the Kingdom in combating terrorist financing	4
A summary of major actions taken and major resolutions adopted by the Kingdom in the combat of money laundering	8
Combating terrorist financing activities	11
Other aspects of cooperation related to the fight against terrorist financing	12
Cooperation between the Kingdom and the United States in combating terrorism	13
Combating money laundering activities	13
1. Legal, regulatory and supervisory framework	13
2. Technical and procedural measures	15
3. Institutional framework	16
4. Administrative measures and initiatives	16
5. Compliance and enforcement activities	17
6. Training	18
7. International Cooperation	19
Conclusion	22



Executive Summary

Over the past decade there have been increasing global efforts to combat the menace of money laundering and terrorist financing. These concerns have been heightened by the 11th September events. Over the past two decades the Kingdom of Saudi Arabia has been at the forefront of an international campaign to combat this dual menace. In this regard, Saudi Arabia has taken several important initiatives including the ratification of UN Convention on Prevention of Terrorist Financing, promulgating of laws and regulations, issuing guidelines, fully supporting FATF activities, and ensuring implementation of all UN Security Council resolutions on Terrorist Financing.

In August 2003, Saudi Arabia has issued a money laundering law by Royal Decree No. M/39 which in effect criminalizes money laundering and financing of terrorism, terrorist acts and terrorist organizations.

Saudi Arabia has also established a robust framework for preventing the use of its financial system for money laundering and terrorist financing activities and has issued detailed instructions to its financial institutions in form of policies to “know your customers” entitled “Rules Governing the Opening of Bank Accounts and General Operational Guidelines.”

In addition, in May 2003 SAMA has updated and issued a comprehensive circular entitled, “Rules Governing Anti-Money Laundering and Combating Terrorist Financing.” These were first issued in 1995. Also, these circulars have stringent requirements for control over charitable and social entities. These include licensing requirements, SAMA approval for opening of a bank account, rules that all transactions to be carried out by cheques to provide an audit trail and prohibition on overseas transfer of funds. Saudi Arabian efforts in the domain of Anti-Money Laundering and Combating Terrorist Financing not only fully meet, but often exceed, the best international practices.



Taken together, these regulations constitute a strict framework to be followed by Saudi banks in dealing with their customers and in carrying out all transactions. These require banks to have complete knowledge about their customers and their business and to ensure that all transactions are fully documented. It is worth mentioning that these address all forms of payments and transfers, both within the country and on a cross-border basis. Consequently, no fund transfer can take place in Saudi Arabia without full documentation of the sender and the beneficiary. As a result of these procedures and due to large investments in fast and efficient payment systems, the informal cross-border payment systems popularly known as 'Hawala systems' have been made extinct. Also, 'Hawala systems' are deemed to be illegal and strict enforcement actions including financial penalties and prison terms have been taken against the violators.

Details of major Saudi Arabian actions and initiatives are listed hereunder.

A Summary of Major Resolutions Adopted and Agreements Signed by the Kingdom in Combating Terrorist Financing:

- Implemented UN Security Council Resolutions No. (1267 - 1269 - 1333 - 1373 - 1390 - 1455 - 1456) on Combating Terrorist Financing.
- Implemented the Asset Freeze for some individuals and organizations pertaining to UNSC resolutions 1267 and 1333. The Kingdom of Saudi Arabia was one of the first countries that took action of freezing assets of Osama Bin Laden in 1994. Following the September 11 incident, Saudi Arabia took immediate action on 26th September 2001 to freeze the assets of individuals and organizations as per a list issued by the American government on 23rd of September 2001, much before the issuance of the official list by the United Nations Security Council.

**Freezing the
terrorist funds**



Furthermore, the Kingdom of Saudi Arabia required all Saudi Commercial Banks to identify accounts in the names of all individuals and entities on the list. So far, Saudi Arabia has frozen 42 accounts belonging to 8 individuals and entities that total about US\$ 5,403,404.92.

Multilateral and bilateral agreements signed

- Signed Multilateral and Bilateral Agreements under the auspices of the Arab League in 1998 to fight terrorism.

Other international actions

- The Kingdom has also signed various bilateral agreements with non-Arab countries on security matters including money laundering and terrorist financing.
- Saudi Arabia has applied all UNSC Resolutions related to combat terrorism and terrorist financing including those related to the Taliban regime.
- Adopted UN Convention on Combating of Terrorist Financing, in form of the UNSC Resolution No. 1373.

Institutional efforts

- Immediately after September 11, the Kingdom established a Special Committee made up of experts from the Ministry of Interior, Ministry of Foreign Affairs, Saudi Arabian Intelligence Agency and the Saudi Arabian Monetary Agency (SAMA). This Committee is dedicated to dealing with issues related to terrorist financing. It also deals with requests from international bodies and other countries.

Cooperation with the UN Security Council

- The Kingdom has prepared and submitted reports on its initiatives and actions in respect of the fight against Terrorism to the UN Security Council Committees, according to the UNSC Resolution No. 1373 and 1390. These were made within 90 days of the date of these Resolutions.



**FATF's 8
Recommendations
on Terrorist
Financing**

- In 2003, it submitted to the FATF a response to the Self-Assessment Questionnaire regarding its 8 Special Recommendations.
- The Kingdom has issued on April 2003 the Rules Governing Anti-Money Laundering and Combating Terrorist Financing.
- Established communication points in the Ministry of Foreign Affairs and the Kingdom's Permanent Representative to the UN on this subject.

**Exchange of
Information**

- Set-up a real-time communication channel between the Ministry of Interior and SAMA in matters involving Terrorist financing activities.

The G-20 actions

- Saudi Arabia participates regularly in G-20 meetings, and has implemented all the relevant recommendations issued by the G-20 related to terrorist financing.

**Improved
coordination with
the US**

- Improved cooperation between the Kingdom and the United States through reciprocal visits. The Kingdom had received a number of US delegations with a focus on fighting terrorist financing even before the September 11 attacks on the US. Subsequently, the two countries have further strengthened their cooperation and are working together to fight money laundering and terrorist financing.

**Issued 'KYC'
Regulation**

- In April 2003, it issued updated and comprehensive "Rules Governing the Opening of Bank Accounts and General Operational Guidelines" in the Kingdom, to further strengthen the implementation of 'Know Your Customer' policies.

**Strengthening
rules governing
charities**

With reference to charitable institutions, Saudi Arabia has instituted a strong framework of controls covering both the policy and operational matters. All charities need to be licensed, their bank accounts are to be approved by SAMA and they are prevented from engaging in cash



transactions.

Policy Aspects:

In terms of the Kingdom's policy and controls, SAMA Circular dated 8 April 2003 corresponding to 06/02/1424H entitled "Rules for Opening Bank Accounts & General Operational Guidelines" includes detailed procedures, which all charitable institutions must comply with. Significantly, this includes obtaining a license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs, which also forms the basis for a charity to function and to open and operate a bank account. SAMA Rules provide for the following important controls:

- On 26 February 2004, A Royal Decree was issued authorizing the setting up of a Public High Commission to oversight all relief and assistance operation outside the Kingdom.
- No cash withdrawals are permitted from the charitable institution's main account, and all cheques and drafts are to be in favor of legitimate beneficiaries and for deposits in a bank account only.
- No overseas fund transfers are allowed from these bank accounts.
- Selection of fit and proper Board Members of the charitable institution is required.
- Relevant Ministry's and SAMA's approval is required to open a bank account.

Other Control Aspects:

Other controls and operational procedures for charitable institutions are as follows:

- Charitable institutions are not permitted to use cash transactions so that there is an audit trail to facilitate compliance examinations, assessments and evaluations.
- Charitable institutions must maintain one main account. They can be given a subsidiary account only if it is justified. The permission for



subsidiary accounts is granted by SAMA.

- The subsidiary account can be used solely to receive funds and not to withdraw or transfer funds. Funds collected through a subsidiary account can only be transferred to the main account.
- Any deposits or donations to the main and subsidiary accounts shall only be accepted upon completing the necessary identification of the donors.
- No ATM Cards or Credit Cards can be issued for charitable institutions' accounts.
- For a charitable institutions to open an account the following documents must be provided:
 - ✓ A license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs.
 - ✓ A letter from the chairman of the society.
- At least two individuals duly authorized by the Board of a charitable institution shall be allowed to operate the main account.

A Summary of Major Actions Taken and Major resolutions Adopted by the Kingdom in the Combat of Money Laundering:

International actions

- Signed and joined the Multilateral and Bilateral Agreements regarding the combat of Money Laundering, e.g., United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988 (Vienna Convention).
- The ratification of the Executive Rules of the United Nations Convention.
- In 1999, issued Executive Rules in conjunction with the United



Nations convention against illicit traffic in narcotic drugs and psychotropic substances to be implemented in Saudi Arabia.

**Endorsed the
FATF's 40
Recommendations**

- In May 1999, the Saudi Cabinet issued its decision to fully implement the 40 recommendations related to the prevention of Money Laundering issued by the FATF.

**Coordination
between different
Ministries in the
Kingdom**

- Saudi Arabia has set-up a Permanent Committee from different Ministries and Government Agencies to deal with money laundering issues in the Kingdom.

**The birth of a new
Law**

- In August 23, 2003 Saudi Arabia has issued its Money Laundering Law – Royal Decree No. M/39.

**Strict guidelines
for financial and
commercial
sectors**

- The Kingdom also issued instructions and guidelines to the Kingdom's financial and commercial sectors for combating money-laundering activities, such as "Rules Governing Anti-Money Laundering and Combating Terrorist Financing" issued on 27 May 2003. These updated the rules first issued in 1995.

**Anti-money
laundering units**

- In 2001, the Ministry of Commerce also issued instructions and guidelines to the Kingdom's commercial sector for combating money-laundering activities. The Ministry of Commerce has also set-up a Special Unit for combating money laundering and terrorist financing and in addition, has issued on February 2004 the Guidelines for commercial businesses to combat money laundering and terrorist financing.

**The Financial
Intelligence Unit
(FIU)**

- Since 1995, Saudi Government has set-up Anti-Money Laundering Units at the Ministry of Interior, SAMA and the Saudi Commercial Banks.

**Hosting of
numerous
conferences**

- The Minister of Interior has established a Financial Intelligence Unit to deal with financial and economic crimes. This is now in the first phase of its operation.



FATF connection

- Saudi Arabia has hosted many conventions, conferences, seminars both locally and internationally related to the prevention of money laundering. The first FATF conference outside of Paris was held in 1994 at SAMA's Institute of Banking in Riyadh. This was followed by many other conferences on money laundering and terrorist financing.

**Self Assessment
Questionnaires
completed**

- Through its membership in the Gulf Cooperation Council, Saudi Arabia is also a member of the FATF and participates regularly in the FATF's meetings.
- Saudi Arabia has completed and submitted the Self-Assessment Questionnaire regarding the 40+8 recommendations of the FATF.
- Saudi Arabia has agreed to accept the New Methodology document related to the 40 FATF's recommendation on Money Laundering and 8 recommendations on Terrorist Financing.
- Saudi Arabia completed the Mutual Evaluation based on the 40+8 FATF Recommendations and was one of the first countries evaluated under this new methodology on September 2003. The result of this evaluation was discussed in February 2004 Plenary Meeting in Paris and the result was highly positive. In general, the Kingdom's Mutual Evaluation gathered one of the best results amongst other countries evaluated within the same criteria.
- Saudi Arabia has also completed the IMF-sponsored Financial Sector Assessment Program (FSAP).



Combating Terrorist Financing Activities:

Specific Actions Related to 11 September 2001 Incident:

International actions

The Kingdom of Saudi Arabia has been at the forefront of international efforts in fighting terrorist activities as well as combating any related financing to aid terrorists in pursuit of their objectives. In more specific terms, following the release by UNSC of the names of individuals and entities related to the suspected terrorist activities of 11 September 2001, Saudi Arabian Monetary Agency (SAMA) took prompt action and required Saudi banks to identify and freeze all assets related to or associated with the listed individuals and entities. Not only Saudi Banks have complied with the freeze and other requirements but they have also commenced investigations of such transactions with the identified individuals and entities that may have been undertaken during the past several years.

Financial industry's contribution

Furthermore, on specific instructions from SAMA, Saudi banks have established Self-Supervisory Committees to closely monitor and fight against the threat posed by terrorism and to coordinate all efforts to freeze the assets of the identified individuals and entities. The Committees are composed of senior bank officials responsible for money-laundering units, and for risk control, audit, legal and operations functions. These Committees generally operate with participation of SAMA officials.

Self-supervising committee

Furthermore and more importantly, Saudi banks have undertaken to respond to all relevant enquiries from both domestic and international counterparties, at the level of their Chief Executive Officers and/or their Self-Supervisory Committees. To ensure proper coordination and effective



response, all Saudi banks route their responses to such inquiries via SAMA.

*Extended support
and cooperation*

Other Aspects of Co-operation Related to the Fight against Terrorist Financing:

Saudi Arabia has publicly supported and extended cooperation to various international efforts for combating terrorism. These include:

- Signed in 1998 a Multilateral Agreement under the auspices of the Arab League to fight terrorism.
- Signed various Bilateral Agreements with Non-Arab countries.
- Endorsed the most recent UNSC Resolution No. 1368 dated September 12, 2001 related to terrorist financing activities.
- Implemented the requirements of various UN resolutions in relation with combating financing of terrorism, including adoption and implementation of the recent resolutions given below:

*Kingdom's
support of UN
Resolutions*

- *Freezing funds and other financial assets of the Taliban regime based on UN Security Council's (UNSC) Resolution No. 1267.*
- *Freezing funds of listed individuals issued by UNSC based on Resolution No.1333.*
- *Signed the 1999 International Convention for Suppression and Financing of Terrorism, as required by UNSC Resolution No. 1373.*
- *Reported to the UN Security Council's Committee the implementation of Rules and Procedures pertaining to Resolution No. 1373.*
- *Reported to the UNSC on the implementation of Resolution No. 1390.*



Cooperation Between the Kingdom and the United States in Combating Terrorism:

*Improved relations
between the
Kingdom and the
US*

Over the past decade, there has been a significant improvement in cooperation between the Kingdom and the United States for combating terrorism. There have been a number of reciprocal visits of ministers and officials at various levels. Even before the September 11 attacks, the Kingdom had encouraged cooperation between the two countries. For example, there were two joint meetings of senior officials held in Saudi Arabia during the year 2000 followed by three meetings with US delegations in December 2001, January 2002 and May 2002. The two sides have discussed ways of improving the relationship and cooperation in fighting terrorist financing and agreed to arrange regular contacts and meetings in the future. Also, a delegation from the Kingdom's Ministry of Finance and SAMA visited the US on 3rd October 2001, and met with the US Treasury officials along with officials from other US governmental agencies. Another delegation met with the US Ministry of Justice on 30 October 2002. Over the past year, there have been many other contacts at various levels between the officials of the two governments to address important issues and to measure progress in combating terrorist financing.

Combating Money-Laundering Activities:

*Legislative and
regulatory
framework*

1. Legal, Regulatory and Supervisory Framework:

The Kingdom has a robust legislative framework and a strong regulatory and supervisory system for supervision of banking and financial services.



This infrastructure ensures that banks and other financial service providers remain vigilant and also have strong internal controls, processes and procedures to not only know the identity of their customers but to also have an awareness of their activities and transactions. The Saudi government has established a Permanent Committee composed of representatives from seven ministries and government agencies to deal with all legal and other issues related to money laundering.

**Money Laundering
Prevention since
the 1970s**

Saudi Arabia has considerable experience and a long history of preventing money-laundering activities extending well over the past several decades. For example, rules that prevent non-residents to open bank accounts without a business rationale have existed since the 1970s. Furthermore, as early as February 1990, Saudi Arabia had ratified the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. This was followed by close collaboration with the Financial Action Task Force (FATF) in many areas.

**Improving the
Legislative
Framework**

During the past decade, the Kingdom has taken several steps to strengthen its legislative framework. On 10 February 1990, by a Royal Decree No. 19, the Kingdom ratified the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention). Subsequently, on 30 November 1998 the Council of Ministers issued its Decision No. 168, which approved and pronounced Executive Rules that include procedures and measures for implementing all of the provisions of the 1988 UN Convention.

**Implementation of
the FATF's 40
Recommendations**

Furthermore, on 3 May 1999 Saudi Cabinet issued its decision No. 15 to fully endorse the implementation of the 40 Recommendations related to Prevention of Money Laundering issued by the Financial Action Task Force (FATF).

A Permanent Committee has been set up to deal with all money laundering matters.

**Money Laundering
is a criminal
offense in the
Kingdom**

In August 2003, the Money Laundering law was issued under Royal



Decree No. M/39 which criminalizes money laundering and the financing of terrorist activities.

2. Technical and Procedural Measures:

The following guidelines, systems and other control measures have been implemented in the Kingdom to conform with legislative, regulatory and supervisory framework.

Guidelines and Procedures

In 1995, SAMA issued "Guidelines for Prevention and Control of Money Laundering Activities" to Saudi Banks. These Guidelines responded to the 40 recommendations of the FATF, and specifically require Saudi banks to implement "Know Your Customer Rules," maintain records of suspicious transactions, and to report any suspected activities to law enforcement agencies and to SAMA. In May 2003, SAMA issued an updated version of these guidelines to capture the 40+8 Special Recommendation of the FATF on combating the financing of terrorist activities. These Guidelines are comprehensive and also conform with the Basel Committee proposals that reflect the best practices of international banks and banking supervisors.

To further strengthen the implementation of the earlier Cabinet Decision No. 15, on 5 August 2001, the Ministry of Commerce has issued Regulation No. 1312 that is aimed at preventing and combating money-laundering in the non-financial sector. These regulations are aimed at manufacturing and trading sectors and also cover professional services encompassing accounting, legal and consultancy services.

Rules on Opening a bank account

In addition, in May 2002, SAMA updated and issued rules Governing the Opening of Bank Accounts and General Operational Guidelines in order to protect banks against economic and financial crimes and money laundering activities. In April 2003, SAMA has issued another updated version of these guidelines. These rules are in line with the best international banking practices and regulatory requirements such as the "Know your Customer Rule" and "Customer Due Diligence For Banks"



covered in various documents issued by the Basel Committee over the past decade.

3. Institutional Framework:

Saudi Government has also taken concrete steps to create an institutional framework for combating money-laundering activities as described below:

*The Anti-Money
Laundering Units
and SAMA*

- Established an Anti Money-Laundering Unit in SAMA, with trained and dedicated specialist staff. Also, all Saudi banks are required to have anti money-laundering units with specialist staff to work with SAMA and the law enforcement agencies.
- Encouraged the banks to bring their money-laundering related experiences to the notice of various inter-bank committees including those of the Chief Operations Officers, Managing Directors, and officers designated to work on Fraud Prevention, Financial Crimes and Money Laundering for exchange of information, expertise and joint actions by the banking industry.
- Another major institutional initiative is the creation of a specialized Financial Intelligence Unit (FIU) in the Security Department of the Ministry of Interior. This Unit is specially tasked with handling money-laundering cases and to coordinate its activities with SAMA's Anti Money-Laundering Unit.

The FIU

4. Administrative Measures and Initiatives:

There are also a number of administrative rules in place that contribute to the prevention money laundering activities as given below;

*Strict procedures
for Accounts
Opening*

- Saudi banks are not permitted to open bank accounts for non-



resident individuals or corporates without specific approval of SAMA. Such approval is only granted in a few justified cases.

Identification of Clients is a must

Reporting

- Banks are required to apply strict “Know Your Customer” rules and any non-customer business has to be fully documented.
- All banks are required to report any money laundering or suspicious activity to the law enforcement agencies and to SAMA. The Agency has collected information on money laundering cases for over a decade and created a useful database. Saudi banks and SAMA are currently in the process of computerizing the reporting of cases by the banks to SAMA. This automation process will help to identify trends by various types of money laundering activities, geographical areas, magnitude of activities, etc., and thus provide useful inputs for policy making and other initiatives.

Close Coordination and Cooperation

5. Compliance and Enforcement Activities:

There is close coordination of compliance and enforcement activities between the banks, SAMA and the law enforcement agencies as described below:

Senior Courts

- Money laundering and other suspicious activities are targeted and investigated. Those found violating laws and regulations are subject to severe financial penalties and imprisonment. Money laundering crimes are dealt with as high profile crimes and all cases are referred to a senior court.
- SAMA’s examination staff carries out regular inspections of banks to ensure compliance with laws and regulations. Any violation or non-compliance is a cause of serious actions that is referred to a bank’s senior management and the Board of Directors. Furthermore, SAMA has created a Permanent Committee of Banks’ compliance

Regular inspections



officers to review SAMA's regulations and guidelines. This Committee recommends improvements to the policies and procedures and ensures all issues are resolved.

*Educating the
concerned
individuals*

6. Training:

- Saudi authorities and SAMA have made significant efforts to impart relevant training to their staff. This includes staff at the Security and Investigation Department at the Ministry of Interior and others involved in compliance and law enforcement activities.
- Special training programs have been developed and delivered to bankers, prosecutors, judges, custom officers and other officials from government departments and agencies. Training programs are also offered by the Prince Naif Security Academy, King Fahad Security Faculty and Public Security Training City, etc. Experts with relevant knowledge and experience from SAMA give many sessions in these training programs.
- In addition, SAMA, Saudi banks and the Saudi Chambers of Commerce and Industry have been cooperating in organizing seminars and conferences on prevention of Money Laundering. Such activities have been held in cooperation with other international agencies. Examples include:
 - In collaboration with FATF, SAMA held a conference in 1993 at SAMA's Institute of Banking in Riyadh. This was the first FATF conference outside of FATF countries.
 - In 1996, SAMA hosted a conference on Money Laundering for bankers and staff from other GCC central banks and banking supervisory authorities.
 - In cooperation with the law enforcement agencies and banks,

*Continuous
Education*

*Trainings for
SAMA's staff*



SAMA initiated a conference with the Riyadh Interpol for the First Asian Regional Meeting under the auspices of Interpol head office in Lyon, France. This conference was held in Riyadh on 28-30 January 2002.

- During May 13-14 2002, the Council of Saudi Chambers of Commerce and Industry in cooperation with SAMA and the banks conducted an international conference on Prevention and Detection of Fraud, Economic Crimes and Money Laundering.

7. International Cooperation:

Following is a profile of Saudi Arabia's international cooperation:

- Personnel from SAMA, other Saudi government departments and Saudi banks are encouraged to participate in international seminars, conferences and symposia on Prevention of Money Laundering and more recently for combating Terrorist Financing activities. Through its membership of the Gulf Cooperation Council, Saudi Arabia is also a member of the Financial Action Task Force. In this regard relevant staff from SAMA and other Government Departments have for many years worked closely with the FATF officials and have held regular meetings with them.
- SAMA regularly exchanges information on money laundering related activities with other banking supervisory authorities and with law enforcement agencies.
- Saudi Arabia also completed the IMF sponsored Financial Sector Assessment Program (FSAP) evaluation on the first quarter of 2004.

Exchange of Information

Self Assessment Questionnaires

Lastly is the aspect of charities, Saudi Government has instituted a strong framework of controls covering both the policy and operational aspects of charities. For example, all charities must not use cash transactions in order



to have audit trails to facilitate compliance examinations, assessments and evaluations.

In terms of policy controls, SAMA has issued “Rules for Opening Bank Accounts & General Operational Guidelines” which describe the acceptable process by which charitable institutions may obtain permission to open and operate a bank. An important prerequisite for such accounts is the obtaining of a license from the Ministry of Labor and Social Affairs or the Ministry of Islamic Affairs. These requirements are basic for carrying out any activity for which an account is required.

On the operational procedure of charitable institutions, these rules designed for easy supervision and monitoring of charitable organizations in the Kingdom are given under SAMA Circular dated May 24, 2003 on “Know Your Customer” corresponding to 23/04/1424H.

- A High Commission was created to oversight Charities.
- All charitable institutions must have one main account only and maybe given subsidiary accounts as they require or if necessary.
- The subsidiary accounts will be used solely to receive funds and not to transfer funds. Funds collected though a subsidiary account shall be transferred to the main account.
- Any deposit or donation to the main and subsidiary accounts shall only be accepted upon completing the requirement specifically the identification of donors.
- No cash denominations shall be withdrawn from the charitable institution’s main account. A cheque will be issued in the name of a legitimate recipient and should be deposited to the recipient’s account in order to acquire such funds.
- Banks are not allowed to issue ATM and/or Credit Cards to charitable institutions’ accounts.
- No overseas fund transfers shall be allowed from those accounts.
- A license from the Ministry of labor and Social Affairs of the Ministry of Islamic Affairs is required for practicing the activity for which the account is required and a letter from the chairman of the



society is to be provided.

- At least two individuals duly authorized by the board of a charitable society shall be allowed to manage and be authorized as cheque signatories.

Conclusion:

*The Kingdom's
commitment to
international
efforts*

Saudi Arabia is dedicated to moderation and harmonious co-existence in the global community and for many decades, it has followed a policy of anti-terrorism and prevention of money laundering. Since 11 September 2001, Saudi Arabia has taken many additional legislative and administrative steps and actions, which have been widely shared with the international community.