

## **AML Law**

**Article 1. All Commercial transactions are assumed to be valid, as discussed in Article 2 of the Commercial Code, unless the opposite is proved on the basis of the articles of this law. Possession of a property with ownership claim is a proof to ownership of it.**

**Article 2. Money Laundering Consists of:**

- a) Acquisition, possession, keeping or using the proceeds from illegal activities with the knowledge that they have been acquired directly or indirectly through a criminal offence.**
- b) Change, exchange, or transfer of proceeds with the intention of hiding their illegal origin with knowledge that they have been acquired directly or indirectly through a criminal offence ,or helping the offender in such a way that the legal effects and consequences of the commitment of that crime would not involve him/her.**
- c) Hiding or covering up the real nature, origin, source, location, movement, displacement, or possession of proceeds obtained directly or indirectly as a result of an offence.**

**Article 3. Proceeds gained as a result of the commitment of an offence means any property obtained directly or indirectly from criminal activities.**

**Article 4. In order to coordinate the relevant organizations to collect, process and analyze the news, documents, information and received reports, to prepare intelligent systems, identify suspicious transactions and combat money laundering crimes, the High Council on Anti-Money Laundering\_ chaired by the Minister of Economic Affairs and Finance, and membership of the Ministers of Commerce, Intelligence, Interior, Governor of the Central Bank of the Islamic Republic of Iran will be formed with the following duties:**

- 1-Collecting the relevant news and information; technically and professionally analyzing and classifying them according to the law, in cases there are evidences of offence.**

**2-Preparing and offering necessary by-laws to the Council of Ministers regarding implementation of the Law.**

**3- Coordinating the relevant organizations and following up the full implementation of the Law in the country.**

**4-Evaluating the received reports and forwarding them to the Judiciary System in case their accuracy is most probable and/or its contingent is serious.**

**5-Sharing the experiences and information with similar organizations in other countries within the context of the article (12).**

**Clause 1- The Secretariat of the Council will be established at the Ministry of Economic and Financial Affairs.**

**Clause 2- the Council of Ministers will approve the executive structure of the council, in accordance with its legal duties, at the Council's suggestion.**

**Clause 3- All the executive by-laws of the aforementioned Council will be binding on all relevant natural and legal persons, after their approval by the Council of Ministers. Violators will be sentenced to 2-5 years discharge from service, at the discretion of judicial and administrative authorities.**

**Article 5. All legal entities including the Central Bank of the Islamic Republic of Iran, banks, financial and credit institutions, insurance companies, the Central Insurance, interest-free funds, charity organizations and institutions, and municipalities are obligated to implement the by-laws approved by the Council of Ministers.**

**Article 6. Notary public offices, lawyers, accountants, auditors, authorized specialists of Justice Ministry, and official inspectors are obligated to produce the information necessary for the implementation of this law, as approved by the Council of Ministers, at the request of the High Council on Anti-Money Laundering.**

**Article 7. Individuals and organizations subject to this law (subjects of Articles 5 and 6) are obligated to observe the following points based on their type of activity and organizational structure:**

- a) Verification of the identity of the client, and where relevant verification of the identity and relationship of the client's**

representative or proxy, as well as verification of the identity of the principal, in case there are evidences of offence.

**Clause:** approval of this law does not contradict the cases required in other rules and regulations related to the identity verification.

**b) Provision of information, reports, documents, and evidence to the Anti-Money Laundering High Council within the by-law approved by the Council of Ministers.**

**c) Reporting of suspicious transaction and operations to a competent authority as designated by Anti-Money Laundering High Council.**

**d) Maintenance of records on client identification, account history, operations and transactions as long as determined in the executive by-law.**

**e) Establishing internal control measures and training managers and personnel in order to comply with the provision of the law and its by-laws.**

**Article 8.** The information and documents collected in the implementation of this law will be used solely in connection with the objectives stated in the Anti-Money Laundering law and its predicate offences. Disclosure of the information or its use directly or indirectly by government officials or other individuals, stated in this law, for their own benefit or the benefit of others, is prohibited, and the offender will be Punished in accordance with the law on the Punishment for the Distribution and Disclosure of confidential and Secret State Documents dated 18/02/1974.

**Article 9.** Those who engage in the crime of money laundering will, in addition to returning the assets and the proceeds derived from the crime comprising the original assets and the profits there of (and if nonexistent, the equivalent or the price), be sentenced to a fine of one fourth of the value of the proceeds of the crime which should be deposited into the public Revenues Account with the Central Bank of the Islamic Republic of Iran.

**Clause1.** If the proceeds have been transformed or changed into other property, the said property will be seized.

**Clause2.** The order to seize the assets and their derived profits can be issued and exercised if the accused has not been subject to this order under predicate offences.

**Clause3. If those who commit predicate offences also commit money laundering in addition to being sentenced for the offence committed, they will be subject to the punishments set out in this law.**

**Article 10. All the affairs that need judicial action or authority for implementation of this law should be carried out according to the regulations. The Judiciary System is obliged to cooperate in accordance with the regulations.**

**Article 11. A number of general courts in Tehran and if necessary in provincial centers will be allocated to the investigation of money laundering. The specialization of the court will not prevent it from trying other cases.**

**Article 12. In cases where an agreement on judicial and intelligence assistance pertaining to anti-money laundering, between the Islamic Republic of Iran and other countries has been ratified, cooperation will take place according to the terms of the agreement.**

**The above Law, comprised of twelve articles and seven clauses, was approved in the open session of the Islamic Parliament on Tuesday, January 22, 2008 and approved by the Guardian Council on February 6, 2008.**