Syrian Arab Republic

Legislative Decree No. 33 of 2005
Combating Money Laundering & Terrorism Financing

AMENDED BY THE LEGISLATIVE DECREES No. 27 of 2011

Republic’s President;
Pursuant to Constitution’s provisions,
Decrees the following:

Article 1:
In the context of applying this Legislative Decree, the following words and expressions shall have the meaning appearing next to each:

A. Money laundering: any act intended to conceal or change the nature of funds related to illicit activities, in order to camouflage their real sources and to show that they are resulted from legal activities.

B. Funds: All kinds of assets, physical or non-physical, movable or immovable, whatever the kind of possession is and whatever the kind of legal documents indicating to those assets ownership or part of them is, including electronic or digital ones. This includes anything resulted from this ownership or any rights related to it, including, for example, local currency, foreign currencies, banking facilities, travel checks, bank checks, monetary drafts, shares, securities, bonds, bills of exchange and documentary credits.

C. Illicit funds: the funds yielded or resulted derived directly or indirectly from committing one of the following crimes listed below; whether they are committed inside or outside Syria if its proved the use of this funds in the commission of money laundering offences:
   1. Planting, fabricating, smuggling or transporting drugs or any mental stupefacients, or illicit trading in them.
   2. Acts committed by evil groups, stated in Article (325, 326) of Penal Code, as well as, all crimes internationally considered organized crime.
   3. Terrorist crimes stated in Articles 304 and 305 of the Penal Code and in international, regional and bilateral agreements to which Syria is a party.
   4. Smuggling, manufacturing or illicit trading in firearms and their spare parts, ammunitions and explosives.
   5. Illicit transport of immigrants, piracy and kidnapping.
   6. Organized prostitution activities, trading in people and infants and illicit trading in human organs.
7. Stealing, smuggling and illicit trading in nuclear, chemical, germ or poison materials.
8. Stealing and embezzling public or private properties or seizing them by burglary or pillage or by deceptive means or transferring them illegally through computer systems.
9. Counterfeiting money, other payment means, public instruments, valuable papers or official documents and instruments.
10. Stealing or illicit trading in ancient monuments or cultural properties.
12. Smuggling crimes.
13. Using registered trademarks by people other than their owners or counterfeiting intellectual property rights.
15. Environmental crimes.
16. Terrorist financing crimes in accordance with the provisions of the articles (304) and (305) of the Syrian Penal Code issued by the legislative decree number (148) of 1949, laws, international and regional agreements effective in the Syrian Arab republic.
17. Murder, grievous bodily injury.
18. Illicit trafficking in stolen goods.

D. Combating Money Laundering and Terrorism Financing Commission (hereinafter the Commission): is the body in charge of all issues related to money laundering and terrorism financing. It shall have the power to sue, while the competent courts shall have the power to issue verdicts.

Article 2:

A. Shall be deemed a money laundering crime any act aimed at:
   1. Concealing or disguising the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, of money the real source of illicit money by any way, or giving fake justification of that source. While knowing it is illicit.
   2. Transferring or exchanging money while knowing it is illicit, in order to conceal or camouflage their source, or helping a person involved in committing the crime to evade liability.
   3. Possessing, laying hands on, managing, investing or using illicit funds to buy movable or immovable property or to carry out financial activities, though the doer knows that they are illicit.

B. Shall be deemed a terrorism financing crime any act aimed at presenting or collecting money by any way, directly or indirectly, totally or partially, from legal or illicit sources, in order to be used in terrorist act or in the financing of terrorists, terrorist organizations inside or outside Syrian Arab Republic, pursuant to Syrian effective laws and regulations, laws and international, regional and bilateral agreements to which Syria is a party, effective in the Syrian Arab republic.

Article 3:

Banking and financial institutions working in the Syrian free zones shall be subject to the provisions of this Legislative Decree and its executive
instructions issued by the Commission. Those institutions shall be subject to the provisions of banking supervision stipulated in Article (89) of the Law of The Central Bank of Syria, Fundamental Monetary Statute law No. 23 of 2002 and Legislative Decree No. 34 dated on 01/05/2005 about banking secrecy.

A. The commission suggests the executive instructions of this legislative decree, that should include the details of obligations stipulated in articles 4, 5, 6, 9, and should be issued by the Prime Minister.
B. The commission imposes the penalty of notification, which applied to all parties (entities) subject of the obligations imposed by this legislative decree and its executive instructions.
C. The sanctions provided in the paragraph above don’t infringe the obligations, sanctions and penalties provided by other laws.

Article 4:

A. Institutions not subject to Legislative Decree of bank confidentiality issued on 01/05/2005 including individual institutions, especially exchange institutions, money transfer institutions, issuing payment means institutions such as credit cards, payment credits, travel checks, e-money, investment funds and their management, financial intermediaries institutions, leasing companies, investment and financial groups, insurance companies and other financial institutions defined by the Commission; as well as, companies of building, promoting and selling real estates, real estate brokerage offices, merchants of luxury items such as jewelries, precious stones, gold, art masterpieces and rarities, and other non-financial institutions defined by the Commission resolution issued by the council of ministers, shall have to keep special registries for dealings of values exceeding the amount defined in a decision by the Commission. The same shall apply when establishing business relationship with permanent customers, and the transactions where there is doubts that one of the dealers is trying to handle money laundering or terrorism financing, or if there is doubt about the validity of the information declared previously, or if there are later changes in the dealer’s identity or that of the economic right owner.

B. Bodies defined in Paragraph (A) of this Article shall have to check the dealers’ identities and addresses according to an official documents and to keep a copy of them. They shall have to keep a copy of the documents related to the above activities and cases for at least five years from the end of the relevant transaction or from the end of the relation with the dealer, which one is longer, in such a way that will enable the Commission to use those documents if necessary.

C. Paragraphs (A, B) of this article shall be applied on lawyers, legal documents editors and independent accountants, when they carry out dealings related to the following activities, on behalf of their agents:
   • Selling and purchasing real estates.
   • Managing agents’ property, securities or any other assets.
   • Managing bank accounts, savings accounts, investment accounts in local and international financial markets.
• Arranging the contributions related to establishing, functioning or managing companies.
• Establishing, functioning or managing legal persons or legal arrangements; selling and purchasing commercial entities.

Article 5:

A. Banking and financial institutions registered at the Central Bank of Syria, including their external branches and their foreign subordinate banking institutions shall undertake to monitor the operations they have with the dealers to avoid involvement in activities that might include illicit money laundering or terrorism financing.

B. Rules of this monitoring shall be defined by a status issued by a decision from the Commission, containing the following points:
   1. Check the real identity of permanent dealers with banking and financial institutions, and define the identity of the economic right owner in case the dealing is carried out through agents or numbered accounts or accounts with owners different from economic right owner.
   2. Apply checking measures shown in Item (1) of Paragraph (B) of this article on transit dealers' identities, if the dealing exceeds a certain amount of money defined by a decision from the Commission.
   3. Apply checking measures shown in Item (1) of Paragraph (B) of this article, when there is doubt about a dealer's trial to commit money laundering or terrorism financing, or if there is doubt about the validity of the information previously given, or if there are changes in the identity of the dealer or the economic right owner.
   4. Draft’s source and beneficiary’s name in all incoming and outgoing drafts shall have to be appointed when making local and international banking transfers. The draft’s economic reason shall have to be known, as well, if its value exceeds a certain amount of money defined by the Commission.
   5. Keep copies of documents related to all operations, and copies of official documents related to dealers' identities for five years at least after operation’s end or accounts close, in such a way that permits the Commission to use those documents when necessary.
   6. Define the indicators pointing to possible existence of money laundering operations, and principles of caution to reveal the suspected operations.
   7. Commitment of banking and financial institutions not to give fake information to deceive administrative and juridical authorities.
   8. Commitment of banking and financial institutions to train their employees about methods of monitoring financial and banking operations to combat money laundering and terrorism financing.
   9. Commitment of banking and financial institutions to appoint a highly qualified official or to form a committee in charge of combating money laundering and terrorism financing.

C. Internal controllers of operationals banks and controllers of competent authorities of Government Commission for the Banks in the Central Bank of Syria, shall have to check that the other banking and financial
institutions mentioned in this Legislative Decree respect this legislative decree, executive instructions its status’s provisions mentioned in Paragraph (B) of this article, and inform the Combating Money Laundering and Terrorism Financing Commission about any violation in this regard.

D. Banking and financial institutions registered at the Central Bank of Syria shall have to be diligent in dealing with the corresponding banks banking and financial institutions to avoid involvement in suspected activities; they shall do that through collecting enough information to understand their work nature and to evaluate their internal measures to combat money laundering and terrorism financing to be sure of their efficiency. If collecting those information is impossible, they have to not make such kind of dealing.

Article 6:

Banking and financial institutions and bodies mentioned in article /4/ registered at the Central Bank of Syria and institutions not subject to Legislative Decree of bank confidentiality issued on 01/05/2005, shall have to apply special measures and pay special attention if:

A. The dealer or the economic right owner is politically exposed person. In this case the measures shall include getting the approval of senior management of those institutions to establish work relation, continuous monitoring to this relation and carrying out reasonable measures to identify the money source. Each individual occupying a public or high position in a foreign country is considered politically exposed persons.

B. Operations carried out without dealer’s presence or through developed technologies that make it possible not to mention the real identity.

C. All abnormally complicated and big sized dealings and all kinds of unusual dealings that have no clear economic purpose.

D. Dealings with natural or legal individuals, including banking and financial institutions, residing in the countries appearing on the list of non-cooperating countries in the field of combating money laundering and terrorism financing, issued by Financial Action Task Force-FATF.

Article 7:

An independent body of juridical nature shall be established at the Central Bank of Syria under the name of “Combating Money Laundering and Terrorism Financing Commission”, which will have legal personality and carry out the following:

A. Receive reports about suspected activities and other information related to money laundering and terrorism financing and analyze them.

B. Carry out financial investigations about the operations suspected to contain illicit money laundering or terrorism financing operations and respect the rules and measures stated in this Legislative Decree.
C. Provide the judiciary and other bodies in charge of applying this Legislative Decree with the information related to this decree, required by those authorities.

D. Develop the measures and forms of implementing this Legislative Decree and supervise their implementation.

E. Adopt rules of exchanging information available to Financial Data Collecting Unit with the counterpart units in other countries pursuant to the rules and measures defined by Syrian effective laws and regulations as well as international, regional and bilateral agreements to which Syria is a party, or according to reciprocity.

Article 8:

A. The Commission shall have a Administration Committee consisting of:
   - Central Bank of Syria Governor Chairman
     (if he is absent, his first deputy shall replace him).
   - Second deputy of Central Bank of Syria Governor, supervising Government Commission for the Banks, Member
     (If he is absent, the Director of Government Commission for the Banks shall replace him).
   - A judge appointed by Supreme Judiciary Council or whoever the Council names in his absence. Member
   - Deputy Minister of Finance. Member
   - Chairman of Syrian Authority for Financial Markets and securities Member
   - An expert in legal, financial and banking affairs. Member

B. The Chairman and members of the Administration Committee shall be nominated in a decision by the Prime Minister.

C. The Commission Chairman shall represent it before the judiciary.

D. Commission Administration Committee shall nominate one of the Government Commission for the Banks as Secretary, provided that he devotes his time to perform this job. He will also implement its decisions and supervise directly many auditors nominated by Commission Administration Committee and assigned by Administration Committee of The Central Bank of Syria, in order to perform Commission duties pursuant to this Legislative Decree. The secretary and the auditors shall be subject to all commitments imposed on Commission members, especially keeping bank confidentiality.

E. Provisions of the banking secrecy Legislative Decree dated 01/05/2005 shall not be valid, at any case, when applying provisions of this Legislative Decree and when the Commission or its assignees require any information.

F. The right to suspend bank confidentiality in favor of competent juridical bodies regarding the accounts opened at banking and financial institutions and suspected to be used for money laundering or terrorism financing, shall be restricted to the Commission Administration Committee.

G. The Commission shall have the right to join pacts or to sign understanding memorandums with counterpart foreign bodies for
information exchange and assistance related to combating money laundering and terrorism financing.

H. The Commission shall have the right to suspend bank confidentiality and make investigations, within its work limits, on behalf of counterpart foreign bodies pursuant to rules and measures defined by Syrian effective laws and regulations as well as international, regional and bilateral agreements to which Syria is a party, or according to reciprocity.

I. Commission Administration Committee shall meet upon its chairman’s invitation once per month, and when necessary. Its meetings shall not be legal unless 4 members at least attend. It makes its decisions pursuant to the majority of attendants’ votes. In case of balance, the chairman’s side wins.

J. The Commission Administration Committee shall develop a status for its work procession. All its discussions and decisions shall be secret.

K. Before starting their jobs, Chairman, members and secretary of the Commission Administration Committee, except the judge, shall swear in front of the Court of First Instance in Damascus, the following legal oath: I swear in the name of great god, to perform my work honestly and faithfully and to keep the information I acquire secret.

L. Members of bodies subordinate to the Commission and assigned to perform works shall swear the same oath in front of the Administration Committee members.

M. The Commission shall have the right to publish periodical statistics about the number of reports of suspected dealings received and distributed by the Commission, number of investigations in money laundering and terrorism financing, number of cases made in this regard, number of condemning sentences issued about them, frozen and confiscated properties, legal exchangeable assistance or other international requests for cooperation.

Article 9:

a. Bodies mentioned in Articles (4, 5) of this Legislative Decree, in addition to internal controllers of operational banks, controllers of competent authorities of Government Commission for the Banks in the Central Bank of Syria and legal account inspectors, shall have to inform report immediately to the Commission chairman or his deputy about the details of operations suspected to hide illicit money laundering or terrorism financing or about money suspected to be proceeds of one of crimes mentioned in paragraph /c/ of article /1/ or money related to terrorism or can be used by terrorist organizations or terrorist financing.

b. The report incoming from the bodies mentioned in the foregoing paragraph of this article or from official or external authorities shall be transferred to the Commission secretary or his deputy if he is absent, within one workday. The secretary shall investigate and analyze the incoming information regarding the suspected accounts within six workdays, either directly or through authorized monitors under supervision of the Commission chairman or his deputy. He shall have the right to freeze temporarily the suspected accounts for six workdays non-renewable, the
freezing shall be according to approval of the Commission chairman or his deputy.

c. During this time, the Commission Administration Committee shall hold a meeting and acquaint the report and the measures that have been taken, as well as the available investigation’s results. After that the committee shall have the right to make a temporary decision to freeze the account for 12 days non-renewable if the money source is still unknown or if there is suspicion that it is resulted from money laundering or if it aims at financing a terrorist act. During this time, the Commission shall continue its investigations. People in charge of investigation shall pay attention to implementing their assignments within a framework of confidentiality, and without being held accountable under the provisions of Legislative Decree on the banking secrecy issued on 01/05/2005.

d. The Commission shall have the right to ask the natural or legal persons suspected to practice activities related to money laundering or terrorism financing to present documents or evidences showing the source and flow of the money suspected to be illicit.

e. After carrying out the financial investigations and analyses, during the temporary freezing of the suspected account or accounts, the Commission Administration Committee shall issue a final decision either to free the account or accounts if the money source has not shown that it is illicit, or to suspend banking secrecy regarding the suspected account or accounts and continue freezing them. The decision shall have to be justified. If the Commission has not make any decision during the period mentioned in the foregoing Paragraphs (A, B), the account shall be considered definitely freed. The Commission decisions shall not be subject to any kind of administrative revision.

f. When suspending the banking secrecy, the Commission shall have to send a ratified copy of its final decision to the General Attorney in the relevant governorate, in order to initiate prosecution procedures. A copy shall be sent to the party concerned, the relevant bank, the foreign body concerned directly or through the reference through whom the information have come.

b. The executive instructions include the mechanism adopted by the commission for treating the report mentioned in the forgoing paragraph, and the mechanism of responding to the internal and external requests of assistance concerning the investigation in money laundering or terrorism financing offence or any offence whose its proceeds constitute resource for illicit money.

c. The Commission shall have the right to freeze the suspected accounts for six workdays, and to extend freezing the accounts for supplementary twelve workdays according to approval of the Commission Administration Committee. If the commission request to prosecute, it shall have the right to freeze these accounts or extend freezing it without abiding by the previous durations of freezing, and the public prosecutor have the right to make the decision to free or extend freezing the accounts.

d. The public prosecution have the right of action in money laundering and terrorist financing offences according to the effective laws, and the examining magistrate responsible for the action has the right to use his
competences cited in the, specially conducting investigations, collecting evidences, tracing money related to crime and its proceeds wherever it be located, and taking necessary measures including seizing funds related to crimes proceeds constitute the source of illicit money, free or extend freezing the accounts had been frozen by the commission.
Article 10:

a. The Commission shall have the right to require additional information and acquaint details related to its investigations, from all bodies obliged to inform to complete the investigation. It shall have the right as well to require those information and details from all Syrian official bodies (juridical, administrative, financial and security) or the counterpart foreign ones. Syrian bodies shall have to undertake providing the Commission with those information immediately within the period it defines.

b. The Commission shall have the right to ask the Customs Administration to inform it about the amounts of money transferred through the borders physically or as circulating financial instruments, whenever their amount exceed a ceiling fixed by the Commission and declared according to a form prepared by the Commission. The Commission shall also be able to create a database for local and international monetary transactions run by banking and financial institutions if they exceed a certain amount that can be used in money laundering and terrorism financing cases.

c. The ministry of foreign affairs shall send the United Nations lists including the suspicion of names of persons involved in terrorist acts or operations of financing of terrorism, to the concerned authorities to verify the involvement of such persons and to take the necessary action, and thereafter the president of the council of ministers shall be notified of these lists, in a manner consistent with the provisions of law, international agreements and conventions effective in Syria.

Article 11:

a. A unit inside the Commission shall be formed under the name of Financial Data Collecting Unit, aimed at collecting, analyzing and keeping the information related to crimes of money laundering and terrorism financing and exchanging such information with foreign counterparts under supervision of the Commission Chairman. This unit shall have to inform the Commission periodically as regards the available information about crimes of money laundering and terrorism financing. Members of this unit shall assume all duties imposed on the Commission members, especially secrecy keeping. Its formation shall be issued by a decision from the Commission Adiministration Committee.

b. The Commission Adiministration Committee shall propose the number of workers necessary for this unit pursuant to work necessities. Their assignments shall be defined and their appointments shall be decides by a decision issued by Central Bank of Syria’s Governor and shall be subject to disciplinary measures if they violate their duties, that does not prevent penal and civil prosecution.

c. The Commission shall have the right to form, by a decision from Its Adiministration Committee, a unit to investigate the reports incoming to the Commission and a unit to verify the measures performed by the institutions mentioned in Articles (4, 5) to combat money laundering
and terrorism financing, or any other units within the Commission considered necessary for its work. Members of those units shall assume all duties imposed on the Commission members, especially secrecy keeping. Number of workers in those units, as well as their assignments, appointments, and procedure to be taken against them, shall be defined pursuant to Paragraph (B) of this article.

Article 12:

Apart from the decision of the Commission committee to approve suspending bank confidentiality, the report stated in this Legislative Decree is absolutely secret, whether it was made by a natural or legal person. Documents presented for this purpose and investigation documents and measures, at all stages shall be secret as well.

Article 13:

Central Bank of Syria’s governor assigned to preside the Commission, Administration Committee of The Central Bank, members of the Commission Administration Committee, the secretary, the units members, all its workers and people assigned to perform works for it, shall enjoy immunity; it shall be impermissible to make any case against them, or to make them subject to any civil or penal liability related to their performance of their assignments stated in this Legislative Decree. Banking and financial institutions and other institutions appointed to report, as well as, their directors and workers, who for good wills, report about and reveal the suspected activities, shall enjoy the same immunity.

Article 14:

A. Any person that commits, intervenes or participates in illicit money laundering activities resulted from one of the crimes mentioned in Article (1) of this Legislative Decree knowing that they are resulted from illicit activities, shall be penalized by imprisonment from three to six years and a fine equal to the value of the seized properties, or a fine equal to their value if it was impossible to seize them, provided that the fine shall not be less than one million Syrian pounds, unless the act is subject to a harder penalty. This penalty shall be stricter pursuant to provisions of Article 247 of The Penal Law, if the crime is committed within an organized criminal band. Anyone who commits, intervenes or participates in terrorism financing activities shall have the same penalty.

B. Attempting in a crime of money laundering or terrorism financing shall have the same penalty as the real doer; and it shall be for partners, interveners, instigators and hiders.

C. Penalties mentioned in Item (A) shall be considered criminal ones.

Article 15:

A. The competent court shall decide to confiscate the funds resulted from subject of crimes of money laundering and terrorism financing,
mentioned in the foregoing article or collected pursuant to it, its proceeds, and the means and tools used in these crimes.

B. If the funds are transferred or altered to funds of another nature, such alternative funds shall be also subject to confiscation as well. And if the illicit funds are mixed with licit ones, the confiscation shall be applied to the estimated value of the illicit funds, without prejudice to the Commission right to freeze them until such time as the relevant investigation is completed.

C. All revenues and due derived from illicit funds or the alternative funds to which these were transferred, as well as, the funds with which the illicit funds mixed, shall be subject to freezing and confiscation to the same degree that the illicit funds are subject to.

D. Syrian judiciaries shall have the right to order implementation of final criminal judicial sentences issued by competent foreign juridical bodies regarding the money laundering offence, including the decisions of confiscation of funds yielded from crimes of money laundering and their returns and crimes of terrorism financing, and the means used in the money laundering and financing of terrorism offences according to the rules and measures defined by Syrian effective laws and regulations as well as international, regional and bilateral pacts signed by Syria, or according to reciprocity. It shall be permissible, as well, to sign bilateral or multilateral pacts regulating dealing with the money subject to final confiscation sentence in crimes of money laundering or terrorism financing from Syrian or foreign juridical bodies. Those pacts shall contain rules of distribution of those funds to pacts’ parties pursuant to their provisions.

E. This article is valid for natural and legal persons.

Article 16:

If the offence of money laundering or the financing of terrorism is committed by the director of the legal person or members of his administration or his representatives or employees, or one of its means, the legal person should be punished in accordance with the provisions of article (108) et seq of the Penal Code. This penalty doesn’t affect the criminal liability of natural persons.

The juridical sentences shall contain, in addition to the penalties mentioned in Articles (13, 14) of this decree, paragraphs stipulating pasting and publishing the sentence and driving the non-Syrians and those considered as Syrians, out of Syria or extraditing them to the authorities of their country, as well as, closing the business, preventing the legal personality from work and dissolving it in case of repetition. The last three measures shall not be applied on public bodies, and they don’t affect the criminal liability of natural persons.

Article 17:

Any person that violates provisions of Articles (4, 5, 6, 9-A, 11-A, 11-C and 12) of this decree shall be penalized to prison from three months to one year and shall be fined from SP 250,000 to SP1,000,000.
Article 18:

Through the ministry of justice and the ministry of Foreign Affairs, Syrian juridical bodies shall exchange cooperation with foreign juridical ones in the field of crimes of money laundering and terrorism financing including investigation, control of evidence and testimony, prosecution, and identification, freezing, and seizing of illicit funds and means used in the crimes of money laundering of financing of terrorism, extradition and other relevant procedures, according to rules and measures defined by Syrian effective laws and regulations as well as international, regional and bilateral agreements to which Syria is a party, or according to reciprocity.

Article 19:

A. The Commission and its units' bylaw shall be issued by a decision from the prime minister including the number of the needed positions according to the Commission proposal.
B. The staff of those positions shall be issued by a decree and it shall be added to staff of The Central Bank of Syria.
C. Compensations and rewards resulted from implementation of provisions of this Legislative Decree shall be defined by a decree.
D. Additional financial burdens resulted from implementation of this Legislative Decree, shall be assumed by the banks operating in Syria, and they shall be considered part of the expenditures of Government Commission for the Banks in The Central Bank of Syria.

Article 20:

Legislative Decree No. 59 of 2003 shall be repealed.

Article 21:

This Legislative Decree shall be published in the Official journal and shall be valid from the date of its issuance on.

Damascus 01/05/2005

Republic's President
Bashar Al-Assad