

SUPPLEMENTARY INFORMATION

Appendix AML- (i) (a) Decree Law No. 54 (2006)

LAW NO. 54 OF 2006 WITH RESPECT TO AMENDING CERTAIN PROVISIONS OF LEGISLATIVE DECREE NO. 4 OF 2001 WITH RESPECT TO PROHIBITION OF AND COMBATING MONEY LAUNDERING

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain,

Having reviewed the Constitution,

And the Penal Code Promulgated by Legislative Decree No. 15 of 1976, as amended,

And Legislative Decree No. 17 of 1989 with respect to Approving the United Nations Convention for Combating the Illegal Trade in narcotic Drugs and Intoxicants of 1988,

And Legislative Decree No. 9 of 1995 with respect to Approving the Arab Agreement for Combating the Illegal Trade in Narcotic Drugs and Intoxicants,

And Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering,

And Legislative Decree no. 26 of 2002 with respect to Approving the Accession to the Treaty of the Islamic Conference Organisation for Combating International Terrorism,

And the Code of Criminal Procedures promulgated by Legislative Decree No. 46 of 2002,

And Law No. 8 of 2004 with respect to Approving the Accession by the Kingdom of Bahrain to the United Nations Convention against Transnational Organized Crime,

And Legislative Decree No. 8 of 2004 with respect to Approving the Accession by the Kingdom of Bahrain to the International Convention for the Suppression of the Financing of Terrorism,

The Consultative Council and Council of Representatives ratified the following Law which we approved and enacted:

Article 1:

1. For the provisions of Clause (e) of Paragraph 4.2 and Clause (b) of Paragraph 4.4 of Article 4 of Legislative Decree No.(4) of 2001 with respect to the Prohibition and Combating Money Laundering, there shall be substituted the following:

Clause (e) of Paragraph 4.2:

Co-ordination with the concerned authorities with a view to implementing the United Nations Convention for Combating the Illegal Trade in narcotic Drugs and Intoxicants, the Arab Agreement for Combating the Illegal Trading in Narcotics, Drugs and Intoxicants, the International Convention for the Suppression of the Financing of Terrorism, the United Nations Convention against Transnational Organized Crime, the two Supplementary Protocols and such other relevant conventions, charters, regulations and resolutions subject to complying with the recommendations to be issued by the Financial Task Force for Combating Money Laundering and Terrorism Finance.

Clause (b) of Paragraph 4.4:

Adopting actions for investigation and collection of evidence in crimes of money laundering, terrorism finance, illegal cross-border transportation of funds and the related crimes.

2. For the words "Minister of Justice and Islamic Affairs" stated in Article (8) Paragraph (6), there shall be substituted the words "Minister of Justice"; and for the words "Minister of Finance and National Economy" there shall be substituted the words "Minister of Finance". For the words "the investigation judge", there shall be substituted the words "Public Prosecution" in the provisions of Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering.

Article 2

1. There shall be inserted at the end of definitions in Article (1) the definition of the word "terrorism" and the words "illegal cross-border transportation of funds" and at the beginning of Article (3) there shall be added a new paragraph under No. 3.1 of Legislative Decree no. 4 of 2001 with respect to Prohibition and Combating Money Laundering, with the following provisions:

Article (1): **Terrorism:**

(a) It is every act of violence or threat to use it irrespective of its motives or purposes where it is committed to executive an individual or collective criminal attempt with the aim of intimidating, terrorizing people by harming them, exposing their lives, honour, freedom, freedom, security or rights to damage, causing damages to the environment, a public utility or public or private property, occupying or seizing it, endangering the safety of a national resource or international facilities, threatening the regional stability or safety, political integrity or sovereignty of independent states without prejudice to the definition of terrorism which appears in the Treaty of the Islamic Conference Organisation for Combating international terrorism or in the relevant laws.

(b) Events of peoples' struggle including armed struggle against foreign occupation and aggression and foreign colonialism and domination for liberation or self-determination according to the principles of international law shall not be deemed as a terrorist crime.

Illegal Cross-Border Transportation of Funds:

A criminal act committed by any natural or corporate person by any method whatsoever, whether direct or indirect, by transporting funds across international borders if they are not disclosed in violation of the disclosure rules or where such transport is for the purpose of money laundering or terrorism finance.

Article (3) Paragraph 3.1:

A penalty of life imprisonment or a prison sentence which is not less than 10 years and a fine of no less than BD100,000 and not more than BD500,000 shall be inflicted upon everyone who raises, gives or appropriates properties, funds or their revenues to a society, group, organization, association or gang that engages in a terrorist activity which is based inside or outside the country or to one of its members or carries out for its benefit any operation or provides support or finance by any means and where he is aware that it engages in a terrorist activity.

The same penalty shall be inflicted upon everyone who receives directly or by way of mediation in any manner whatsoever properties or funds of any kind from any of these organizations with a view to preserving them or exploiting them for their benefit.

Attempting to commit any of the crimes provided for in the preceding two paragraphs shall be punishable by the same penalty prescribed for a full crime.

2. Paragraphs 3.1 to 3.7 of Article (3) of Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering shall be re-numbered so that their numbers shall become 3.2 to 3.8 in the aforesaid order.

3. There shall be added to Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering a new Article under No. (5) bis. Entitled "Disclosure Rules", which shall read as follows:

Article (5) bis.

Entry of funds into the state or their transfer therefrom is guaranteed for all passengers according to the law and the Minister of Finance may decide by an order the maximum amounts of funds whose entry into the state or transfer therefrom is permitted without the need for disclosing them. Any amount in excess of the maximum, in case of issue of an order determining the maximum amount, shall be subject to the disclosure rules that shall be issued by an order of the Minister of Finance upon a proposal of the committee concerned with drawing up policies for prohibition and combating money laundering and terrorism finance.

4. There shall be added the words "and terrorism finance and the illegal cross-border transportation of funds" after the words "money laundering" that appear in Paragraphs 4.4 and 4.5 of Article (4) of Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering.

5. The words "and terrorism finance" shall be inserted after the words "money laundering" wherever they appear in Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering except for the provisions of Paragraphs 4.4 and 4.5 of Article (4) of the aforesaid Legislative Decree No. 4 of 2001.

Article 3:

Paragraph 4.6 of Article (4) of Legislative Decree No. 4 of 2001 with respect to Prohibition and Combating Money Laundering shall be repeated.

Article 4:

The Ministers, each in his respective capacity, shall implement the provisions of this Law which shall come into effect on the day following the date of its publication in the Official Gazette.

**Signed: Hamad bin Isa Al Khalifa,
King of the Kingdom of Bahrain**

Issued at Riffa Palace
On 14th Rajab, 1427 Hijra
Corresp. 8th August