



The Annual Report of

# Anti-Money Laundering Permanent Committee

2019

## **Statement of His Excellency the Governor of Saudi Arabian Monetary Authority,**

**Chairman of the Anti-Money Laundering Permanent Committee.**



On the occasion of the issuance of the Annual Report of the Anti-Money Laundering Permanent Committee (AMLPC) for the year 2019, it gives me great pleasure to extend my sincere thanks and gratitude to the Custodian of the Two Holy Mosques and his faithful Crown Prince for backing and supporting AMLPC and its member authorities. Such support has enabled AMLPC to make achievements and gains to overcome challenges faced in the last period. The accomplishments and gains achieved by the Kingdom in this area reflect the leadership's keenness and its pursuit of the commitment of all concerned authorities to meet the international standards and requirements on anti-money laundering and combating financing of terrorism and proliferation. I take this opportunity to pay tribute to their Highnesses, their Excellencies the Ministers, and the officials of the concerned authorities that have contributed to the success of the AMLPC's work.

The AMLPC's Annual Report includes an overview of the establishment of the AMLPC, its objectives, functions, the organizational structure of the AMLPC Secretariat and its operating mechanisms, a list of member authorities, the work teams operating under the umbrella of the AMLPC, and the key efforts, achievements and procedures made or adopted in 2019.

In conclusion, I would like to praise colleagues in the AMLPC member authorities and AMLPC Secretariat as well as members of the AMLPC work teams for their efforts and contributions. I wish success for all and more achievements for the Kingdom.

**Ahmed A. Alkholifey**

**Governor of Saudi Arabian Monetary Authority**

**Chairman of AMLPC**

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# Introduction

During the past twenty years, the Kingdom of Saudi Arabia has taken many initiatives and measures to combat money-laundering crimes. It has been at the forefront of countries that have taken precautionary measures aimed at protecting the national economy and combating money-laundering crimes and other associated criminal activities, thereby, contributing to protecting the local and global financial system. The Kingdom derives its firm stance towards combating ML from its full commitment to the provisions of Islamic Sharia texts drawn from the Noble Qur'an and the Sunnah of the Prophet and its legislative regulations issued in accordance with international standards and requirements adopted in this regard.

Among the most prominent of these initiatives is the Council of Ministers' Resolution No. (15) dated 17/1/1420H (3/5/1999), which provides for applying the Forty Recommendations issued by the Financial Action Task Force (FATF) to combat money laundering operations according to the regulations in force in the Kingdom, and the formation of the Anti- Money Laundering Permanent Committee (AMLPC) assigned to a number of functions and responsibilities, the most important of which is setting the necessary steps to implement the mentioned recommendations and follow up on their implementation, studying all issues related to combating ML at the Kingdom's level, and raising what is necessary to the Supreme Royal Court regarding the obstacles and difficulties facing the concerned authorities in implementing the steps and procedures related to the anti-money laundering forty recommendations, and their suggestions and views to overcome them.

The Kingdom is a founding member of the Financial Action Task Force for the Middle East and North Africa (MENAFATF) since 2004. The Kingdom became a member of the Financial Action Task Force (FATF) in 2019, the first and only Arab country to obtain membership in this organization. This confirms International recognition of the Kingdom's standing and appreciation of the efforts, procedures and measures it has taken in order to enhance its internal procedures related to anti-money laundering (AML) and combating financing of terrorism (CFT) and proliferation (CPF) and its ongoing support to relevant international and regional community organizations in this regard.

In light of the rapid pace of developments in all sectors in the Kingdom of Saudi Arabia, and based on its keen efforts to keep pace with these developments, the Anti-Money Laundering Permanent Committee sought during the year 2019 to raise the level of coordination and communication with members of the Permanent Committee and enhance the efficiency of AML operations and activities by the authorities concerned by constantly, striving to provide and find the best international solutions and practices, in line with local regulations, rules, instructions and FATF standards to ensure security and protect stakeholders in a manner that ensures the stability of the banking and financial sector.

Therefore, this year has witnessed many updates on the work mechanisms of the appropriate authorities and the issuance of rules, instructions and guides, in addition to providing qualitative training for all authorities, including on-the-job training within the framework of the National Strategic Objectives and the National Action Plan to counter money laundering and terrorist financing in cooperation with other permanent committees to implement those Objectives approved by the Council of Ministers pursuant to its Decision No. (42) dated 15/1/1440H (26/9/2018), which enhanced the effectiveness of the implementation of legislative instruments and raised the level of technical compliance with international standards.

Under the guidance and support of the Governor of the Saudi Arabian Monetary Authority (SAMA), Chairman of the AMLPC, and in light of its keenness to perform the tasks assigned to it, the AMLPC Secretariat exerted great efforts during the year and harnessed its capabilities in order to support the AMLPC's work, achieve its objectives, serve the public interest, and carry out work with a high level of quality.

Finally, the accomplishments that will be described in this Annual Report would not have been achieved without the grace of Allah the Almighty, and then the concerted efforts of the members of the AMLPC and the employees of the Secretariat, which had a great positive influence on achieving many of the objectives.

# 1: An Overview of AMLPC

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## AMLPC Establishment

The AMLPC was formed in accordance with the Council of Ministers Resolution No. 15 dated 17/1/1420H (3/5/1999), stipulating the implementation of the FATF Forty Recommendations to combat money laundering operations in accordance with the regulations in force in the Kingdom. The resolution entrusted the AMLPC with setting the necessary steps to implement the FATF Forty Recommendations and following up their implementation. This was followed by the Council of Ministers Resolution No. 278 dated 14/11/1422H (28/1/2002), which mandated the AMLPC to consider and follow up all issues related to money laundering in the Kingdom and to report to His Majesty the King the obstacles and difficulties facing the concerned authorities in implementing the steps and procedures related to the 40 recommendations as well as making proposals and providing views to overcome such obstacles.

Since its formation, the AMLPC has been seeking to enhance, streamline and develop the legal and institutional framework and related activities to keep pace with international standards and level and quality of risks. The AMLPC has made fundamental amendments to the Anti-Money

Laundering Law to bring the legal framework in line with the FATF updated recommendations. These amendments are in accordance with the Royal Decree No. M/20 dated 5/2/1439H (26/10/2017), stipulating the issuance of the Anti-Money Laundering Law that covers many international requirements and developments. The law was followed by the Implementing Regulations of the AML Law on 19/2/1439H (9/11/2017).

The headquarters of the AMLPC is located at SAMA Head Office in Riyadh. The AMLPC is chaired by the Governor of SAMA. It holds its meetings monthly. Exceptional meetings may be convened upon the request of the chairman or his deputy.

## AMLPC Functions

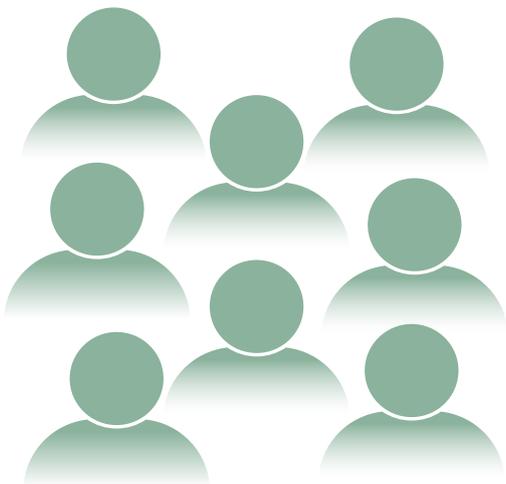
- Study and follow up all issues related to ML operations in the Kingdom and report to His Majesty the King the obstacles and difficulties facing the concerned authorities in implementing the steps and procedures related to AML recommendations as well as proposals and views to overcome such obstacles.
- Prepare and supervise the ML national risk assessment and update the assessment periodically.
- Coordinate and develop AML national policies based on identified risks, and review and update these policies periodically.
- Collect statistics from competent authorities in order to measure the effectiveness of the national framework for combating ML.
- Promote awareness of ML risks and the measures and procedures that prevent such illegal activities and reduce their risks.
- Follow up regional and international developments on AML and related activities, study the possible benefits of applying them in the Kingdom, and inform the competent authorities of the results.
- Participate, represent the Kingdom, and highlight its AML efforts in the FATF and MENAFATF, regional and international events and conferences, and internal and external symposia related to the work of the AMLPC.
- Request technical assistance related to the work of AMLPC when needed.
- Identify countries that suffer from strategic deficiencies in their AML frameworks and take the necessary measures to inform reporting entities.
- Determine the types of countermeasures that must be taken by a reporting entity and the scope of these measures under the AML Law.
- Form sub-committees or work groups, or assign one member or more to carry out any of the AMLPC's work.
- Review the effectiveness of AML legislation.
- Prepare for the Kingdom's assessment in the areas of AML, CFT and CPF.
- Organize and host specialized training activities and programs in the AML area.
- Coordinate with the relevant national committees regarding AML work.
- Coordinate with supervisory authorities and bodies that are not represented in the AMLPC on AML issues.

## The Objectives of AMLPC



- ▶ Develop AML legislative system in the Kingdom to comply with international requirements and standards and monitor the system to ensure its effectiveness.
- ▶ Carry out, follow up, and provide the requirements of the technical preparation for the mutual assessment processes of the Kingdom conducted by the Financial Action Task Force, as well as preparing relevant authorities.
- ▶ Prepare the National Risk Assessment, identify high-risk crimes and crimes of other risks, and identify emerging trends and methods to help the authorities in determining and directing resources in the right way in order to reduce such risks.
- ▶ Ensure continuous local coordination among authorities concerned with AML and relevant national committees.
- ▶ Represent the Kingdom in AML international meetings and forums, and highlight the Kingdom's actions and efforts in this area at the local, regional and international levels.

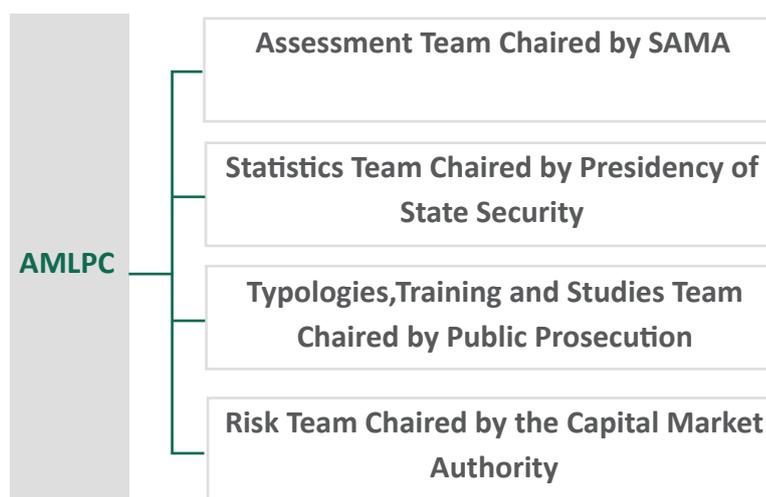
## AMLPC Members



1. Ministry of Interior, represented by:
  - 1.1 Narcotics Control Division at the Ministry of the Interior.
  - 1.2 Public Security.
  - 1.3 Legal Affairs.
  - 1.4 General Directorate of Narcotics Control.
2. Ministry of Foreign Affairs.
3. Ministry of Justice.
4. Ministry of Commerce.
5. Ministry of Finance.
6. Ministry of Human Resources and Social Development.
7. Ministry of Islamic Affairs, Dawah and Guidance.
8. Presidency of State Security, represented by:
  - 8.1 General Directorate of Financial Intelligence.
  - 8.2 General Directorate of Investigation.
9. Public Prosecution.
10. General Intelligence Presidency.
11. General Customs Authority.
12. Capital Market Authority.
13. Saudi Arabian Monetary Authority.

# AMLPC Work Teams

Work teams were formed based on the recommendations made in AMLPC meeting No. (8-1435) held on 5/8/1435H, and in accordance with Article (2) Paragraph (8) of AMLPC bylaws, as follows:



## 1. Functions of the Assessment Team

- Design a work program to prepare for the assessment of AML/CFT Laws, and prepare the necessary programs.
- Follow-up on developments and review any reports issued by FATF and MENAFATF related to the evaluation.
- Complete the evaluation questionnaire and verify the validity of information received from the authorities concerned as set forth in the FATF 40 Recommendations, assessment methodology and international requirements.
- Coordinate with the authorities concerned with AML/CFT to prepare the evaluation process.
- Discuss the dates of on-site visits, and prepare their timetables.
- Receive and review the responses, answers and statistics on the evaluation processes from all authorities.

## 2. Functions of the Statistics Team

- Follow-up on the feedback provided by the authorities and ensure conformity of statistics among the authorities.
- Provide AMLPC and other work teams with a detailed periodic report on statistics received from the authorities.
- Inform AMLPC of the authorities that have deficiencies in their statistics.
- Collect, receive and analyze statistics received from relevant authorities, and establish a database to be continuously updated.
- Follow up on the statistics received from the authorities periodically.

## 3. Functions of the Typologies, Training and Studies Team

- Study and determine the authorities' needs for training necessary to enhance their expertise and raise their level of awareness in order to improve and develop their systems and the combating measures applied.
- Propose training programs and workshops to develop the staff of the relevant authorities.
- Study the topics received by AMLPC from some authorities wishing to organize

workshops, seminars, conferences and events.

- Consider the invitations sent from international and regional organizations to attend events, seminars, conferences and workshops, and suggest authorities to participate.
- Review and send AML/CFT training materials and developments to authorities interested.
- Follow up the latest developments on typologies received from the FATF and MENAFATF to review and apply, and provide the authorities concerned with typologies with copies of such developments to improve their procedures in AML, CFT and CPF.
- Complete the data required for the cases received from the FATF and MENAFATF, and related proposals.

## 4. Functions of Risk Team

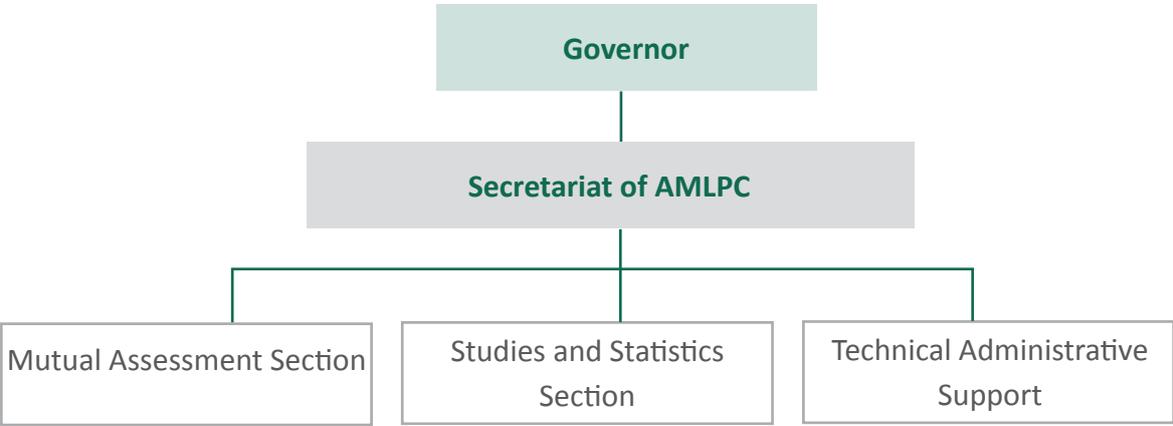
- Establish preventive measures for financial institutions (FIs), designated non-financial businesses and professions (DNFBPs), and non-profit organizations.
- Follow up developments and updates related to ML, TF and PF, and find appropriate solutions to reduce the risk.
- Establish a mechanism to require FIs and

DNBPs to identify the risks of ML/TF to which they are exposed and to adopt measures and procedures to reduce such risks.

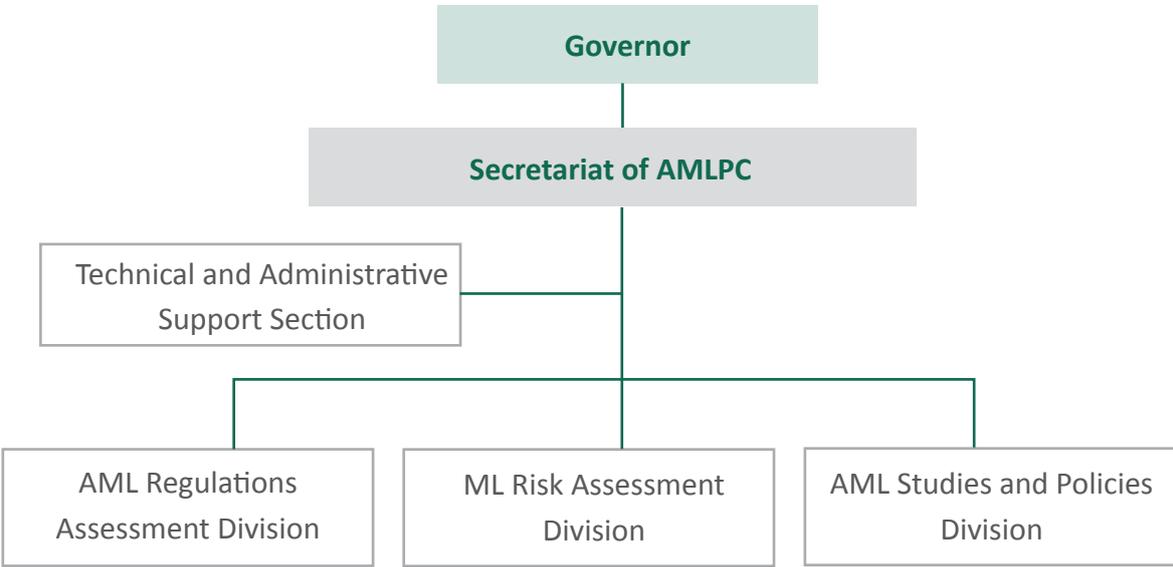
- Develop AML/CFT policies, taking into account the risks that have been identified by the authorities concerned with AML/CFT.

# Organizational Structure and Role of AMLPC Secretariat

To contribute to the accomplishment and facilitation of AMLPC’s work, the AMLPC Secretariat was established and its first organizational structure was approved on 24/2/1438H (24/11/2016) by the Governor, the Chairman of the Anti- Money Laundering Permanent Committee, as follows:



To enhance the role of the AMLPC’s Secretariat, the Governor and Chairman of the AMLPC, on 2/6/1441H (27/1/2020), approved the development of the organizational structure of the AMLPC’s Secretariat. The aim of the decision was to improve the functions and responsibilities of the Secretariat, achieve the required objectives and purposes, promote and support the pivotal role of the Secretariat, serve the interests of the Kingdom in the field of AML, and maintain the achievements made by the Kingdom during the preceding period. The organizational structure was developed to be as follows:



## **Functions of the AML Regulations Assessment Division**

The Division is responsible for coordination with the relevant organizations regarding the evaluation processes and their timetables, as well as preparing such authorities for the evaluation and its subsequent follow-up in sufficient time. In addition, the Division is responsible for preparing responses (in Arabic or English) based on the questionnaires and assessment methodologies and responding to inquiries during the stages of evaluation and follow-up processes in cooperation and coordination with the relevant authorities.

## **Functions of the ML Risk Assessment Division**

The Division is responsible for identifying and developing the National ML Risk Assessment Methodology, studying and understanding the reports prepared, and identifying the type and size of threats to which the Kingdom is exposed. In addition, the Division periodically identifies weaknesses and assesses the degree of risks and consequences in cooperation and coordination with the Permanent Committee for Combating Terrorism

and its Financing with regard to the methodology and process of the National TF Risk Assessment.

## **Functions of the AML Studies and Policies Division**

The Division is responsible for conducting studies and research; identifying patterns, methods and trends of ML crimes; constantly reviewing AML laws and regulations; and providing views on AML rules and guidelines. In addition, the Division contributes in raising awareness and developing training plans for the authorities participating in AMLPC, preparing a database of the training courses provided by AMLPC and its participants, as well as following up on regional and international developments on AML and related activities to use and apply in the Kingdom if possible.

## **Functions of the Technical and Administrative Support Section**

The Section is responsible for preparing the meetings of AMLPC and the work teams emanating from AMLPC, preparing the minutes of the meetings, and responding to the requests received by the Secretariat from the internal departments. The Section also prepares annual reports on AMLPC

activities and relevant media reports, coordinates and organizes events, meetings and specialized training programs. In addition, the Section is responsible for the content of the AMLPC's website and media campaigns, translation of the required documents, correspondence, and electronic and physical documentation.

## 2: The Kingdom's Membership in the FATF

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The Plenary meeting of the Financial Action Task Force (FATF), concluded on Friday, 17/10/1440H (21/6/2019) in Orlando, USA, agreed on granting the Kingdom full membership of the group. In recognition of the Kingdom's significant role in the fields of AML, CFT and CPF. The FATF agreed to grant the Kingdom observer status in the group in June 2015.

The Kingdom's accession to the FATF came after the completion of the mutual evaluation process, one of the most important requirements for obtaining membership, conducted by FATF during the years (2017-2018) in partnership with the MENAFATF. The results of the process showed that the level of effectiveness and efficiency of the control measures applied by the Kingdom has increased in light of the significant efforts and measures taken in the field, which enabled the Kingdom to obtain the membership.

The Kingdom's membership in the FATF comes in line with its financial and economic efforts and programs the Kingdom puts in and develops to achieve the Vision 2030, aiming to support national economy and increase efficiency of the financial sector, which is one of the important objectives of

the financial sector development program.

With the Kingdom becoming a FATF member, the number of permanent members in the group is now 39, including big countries, such as the permanent members of the UN Security Council and most G20 countries. The Kingdom is the only Arab country in the FATF.

The Kingdom's accession to FATF will enhance its role in international and regional forums, contribute to highlighting its efforts more in the areas of AML, CFT and CPF, and create more geographical balance for FATF members as a country that is important in the MENA region. In addition, sharing the Kingdom's expertise and experiences with FATF members will contribute to developing and completing the global system on AML, CFT and CPF. Through its membership, the Kingdom will have the opportunity to directly participate in the formulation of FATF decisions and policies.

The Kingdom's accession to the FATF will also contribute to enhancing and developing the capabilities and expertise of specialists in the Kingdom by getting acquainted with the experiences of advanced countries, participating

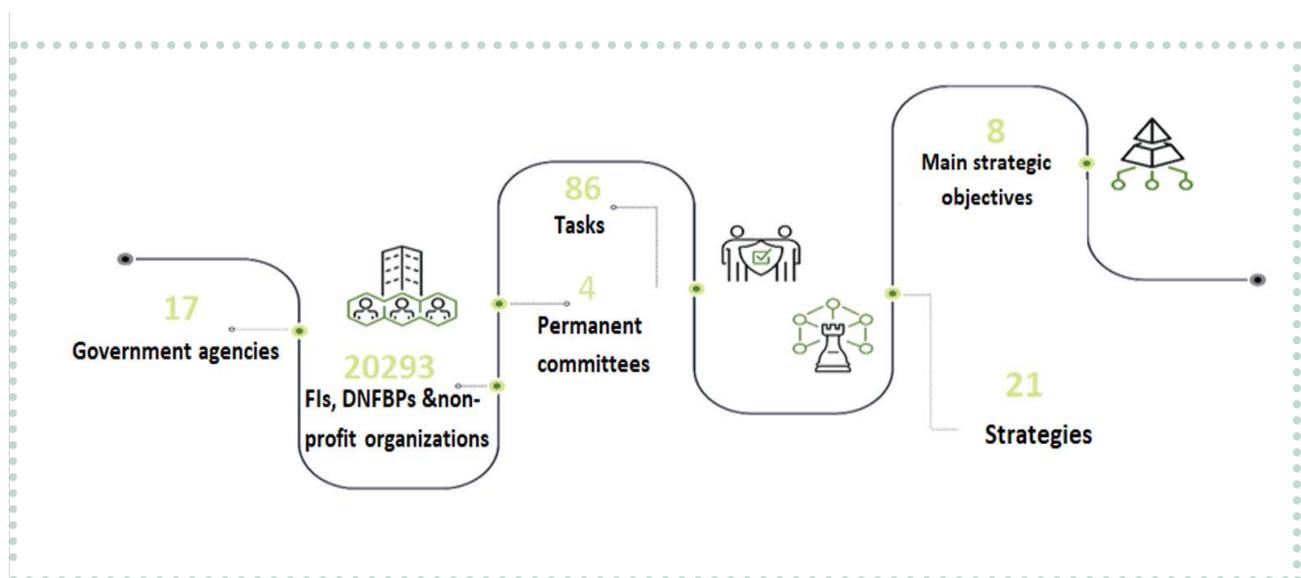
in the discussions presented during the FATF's plenary meetings, and participating in the activities of the work teams.



# 3. National Strategic Objectives for AML/CFT and National Action Plan to Achieve such Objectives

The Council of Ministers approved by Resolution No. (42) dated 15/1/1441H (15/9/2019) the National Strategic Objectives for AML/CFT and the National Action Plan to achieve such objectives. The objectives guide relevant authorities to strengthen combating systems and upgrade the level of commitment to international requirements, as well as addressing and correcting the deficiencies in the field. Work is currently underway to implement this National Strategy through the implementation of 86 tasks distributed to eight strategic objectives. The implementation is supervised by 17 government authorities and four National committees concerned in the fields of AML, CFT and CPF. The implementation is scheduled to be completed

by the end of the year 1441H. The issuance and implementation of such objectives are a great addition to the efforts and measures the Kingdom puts in and apply to reduce the risks of ML, TF and PF. This stresses the Kingdom's full commitment to implement all international standards and requirements issued on AML, CFT and CPF.



## 4. National ML Risk Assessment

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AMLPC carried out a National Risk Assessment for the risks of money laundering. The assessment was conducted in preparation for the Kingdom's mutual evaluation process, which was conducted by the FATF and MENAFATF in AML, CFT and CPF. The main objective of the evaluation was to ensure the suitability of AML measures with the level of risks identified and assist decision-makers in the authorities responsible for combating ML to allocate and make effective use of the resources available.

In particular, the National Risk Assessment project aims to improve the AML system in the Kingdom by:

- 1.** evaluating the Kingdom's ML risks;
- 2.** evaluating the effectiveness of strategies and policies followed to reduce risks;
- 3.** identifying priorities to reduce risks; and
- 4.** taking justified decisions to reduce AML measures for low-risk products and sectors, if any.

## 5. Local Cooperation and Coordination (AMLPC and Work Teams Meetings)

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Since its establishment, AMLPC holds periodic meetings and exceptional meetings, if needed. In addition, AMLPC and its members are working in coordination to prepare and coordinate AMLPC functions and tasks. In coordination with several international agencies and organization, AMLPC held several workshops that fall within the technical assistance provided to the agencies and the workshops held by AMLPC Secretariat for the public and private sectors. The AMLPC work teams have worked in the preceding period in an intensive, continuous and simultaneous manner to undertake

their functions and achieve their objectives. AMLPC also continuously coordinates and cooperates with the relevant national committees (the Permanent Committee for Combating Terrorism and its Financing, the Permanent Committee for Legal Assistance Requests, and the Permanent Committee for Implementing Security Council Resolutions in Accordance with Chapter VII).

The following Table shows the number of meetings held by AMLPC and its work teams during 2019:

| No. | Prominent Topics                    | Number of Meetings | Meetings  |
|-----|-------------------------------------|--------------------|---|
| 1   | AMLPC periodic meetings             | 7                  | - Following up the implementation of the National Strategic Objectives for AML/CFT and National Action Plan to Achieve such Objectives approved by the Council of - Ministers' Resolution No. 42 dated 15/1/1440H             |
| 2   | Mutual Assessment Team              | 10                 | Implementing the Kingdom's Action Plan submitted to FATF.   |
| 3   | National Risk Assessment Team       | 5                  | Enhancing local and international cooperation with relevant authorities and external peer authorities.  |
| 4   | Typologies, Training and Study Team | 20                 | Preparing and submitting the Kingdom's first follow up report to FATF.  |
| 5   | Statistics Team                     | 10                 | - Case studies and identifying ML trends and indicators.<br>- Collecting and sorting statistics.<br>- Developing awareness and training programs for relevant authorities.  |
| 6   | Others                              | 3                  | - Following up electronic linkage projects for relevant authorities.<br>- Increasing the number of specialists and enhancing capacity building.<br>- Studying and providing a number of cases for the purposes of assessment. |

# 6: Capacity Building and Training

## 11th Annual Seminar of Compliance and Anti-Money Laundering

Under the auspices of the Governor of the Saudi Arabian Monetary Authority, Chairman of the Anti-Money Laundering Permanent Committee, the AMLPC, in cooperation with the Financial Academy and Refinitiv Company, organized the 11th Annual Seminar of Compliance and Anti-Money Laundering on 3/6/1441H (11/3/2019). The seminar was attended by experts and stakeholders from the private and public sectors. During its sessions, many important topics were discussed, including issues related to International regulatory developments and the growing global interest in the expansion of the use of modern technologies and their impact.

At the beginning of the seminar, His Excellency Mr. Ayman Mohammed Alsayari, Vice Governor of the Saudi Arabian Monetary Authority, delivered the opening speech on behalf of the Governor. Alsayari confirmed the Kingdom's financial institutions'

commitment to the laws and regulations enacted by relevant authorities to apply and implement international standards and requirements, which is considered one of the most essential factors to stabilize the financial system in the Kingdom. Alsayari also explained the steps taken by SAMA to reinforce compliance, and highlighted the importance of the efforts made by the Kingdom during the past years for combating financial and money laundering crimes, thereby, culminating its efforts by becoming a member of the FATF. His Excellency also announced the launch of the AMLPC awareness media campaign to combat money laundering in implementation of the Kingdom's Strategic Objectives and National Action Plan.



## **Training program for financial investigations and prosecutions**

Recognizing the importance of enhancing the capabilities and competencies of those working in the field of AML, AMLPC has prepared a two-phase training plan for a number of authorities concerned with AML. The first phase included on-the-job training through conducting a number of on-site visits with the aim of providing support and advice in handling ML cases that such authorities are working on. The training was conducted in line with international standards and best practices and experiences in the field. The second phase included preparing and organizing workshops for relevant authorities on how to conduct financial investigations and prosecutions in ML cases during the period (2019-2021) as follows:

### **Financial Intelligence for Money Laundering Investigations and Prosecutions**

In cooperation with the International Monetary Fund, AMLPC organized a workshop on “Financial Intelligence for Money Laundering Investigations and Prosecutions” on Sunday, 2/8/1440H (7/4/2019) in Riyadh.

The workshop was attended by more than 60 participants, representing a number of relevant authorities, including: the Ministry of Interior, the Presidency of State Security, the Public Prosecution, the Ministry of Justice, the Saudi Arabian Monetary Authority, the General Customs Authority, the Financial Market Authority, the

Ministry of Commerce and Investment, and the Control and Anti-Corruption Authority. In addition, the workshop was also attended by representatives from the AMLPC Secretariat.

The two-day workshop aimed at enhancing and developing the capabilities of the participants from the concerned authorities and providing them with more technical and professional skills. Such skills will contribute to developing the work mechanisms of those authorities and upgrading the work, functions and responsibilities that they undertake in this field in line with the standards and requirements issued in this regard and international best practices.

### **ML Investigation, Search in Open Sources, and Development and Drafting of Legal Assistance Requests**

AMLPC organized a workshop on “ML Investigation, Search in Open Sources, and Development and Drafting of Legal Assistance Requests” during the period 24-28/12/1440H (25-29/8 /2019).

The workshop was attended by more than 50 participants representing a number of relevant authorities, namely, the Ministry of Interior (General Directorate of Public Security, and the General Directorate of Narcotics Control), the Presidency of State Security (General Directorate of Financial Intelligence, the General Directorate of Intelligence), the Public Prosecution, the Ministry of Commerce and Investment, and the Permanent Committee for Legal Assistance Requests at the Ministry of Interior.

The workshop aimed to enhance and develop the capabilities of the participants from the relevant authorities and provide them with the necessary skills in how to search in open sources when conducting investigations into money laundering crimes, in addition to how to prepare and draft requests of legal assistance.

### **ML Investigations Associated with Procurement Fraud Cases**

AMLPC held a workshop on “ML Investigations Associated with Procurement Fraud Cases” during the period 30/1-4/2/1441H (29/9-3/10/2019).

The workshop was attended by more than 50 participants representing a number of relevant authorities, namely: the Ministry of Interior (General Directorate of Public Security), the Presidency of State Security (General Directorate of Financial Intelligence, the General Directorate of Intelligence), the Public Prosecution, the Control and Anti-Corruption Authority, and the Permanent Committee for Legal Assistance Requests at the Ministry of Interior.

The workshop aimed to enhance the capabilities and competencies of those working in the AML area and providing them with technical and professional skills. Such skills are important to derive the indicators and evidence necessary to conduct ML financial investigation and enhance international cooperation through legal assistance requests, whether in the investigation stage or when filing a request to recover the proceeds of crime.

### **Trade-based Money Laundering**

AMLPC organized a workshop entitled “Trade-based Money Laundering” during the period 6-10/3/1441H (3-7/11/2019).

The workshop was attended by 34 participants representing a number of relevant authorities, namely: the Ministry of Interior (General Directorate of Public Security and the General Directorate of Narcotics Control), the Presidency of State Security (General Directorate of Financial Intelligence and the General Directorate of Intelligence), the Public Prosecution, Ministry of Commerce and Investment, the General Customs Authority, Saudi Arabian Monetary Authority, and the Permanent Committee for Legal Assistance Requests at the Ministry of Interior.

The workshop aimed to assist relevant authorities in deriving the indicators and evidence necessary to conduct financial investigations in trade-related ML crimes and enhance international cooperation, whether through formal legal assistance requests or informal cooperation between counterparties.

### **Investigation of Third Party ML Cases**

AMLPC organized a workshop entitled “Investigation of Third Party ML Cases” during the period 18-22/4/1441H (15-19/12/2019).

32 participants attended the workshop to represent the following authorities: the Ministry of Interior (General Directorate of Public Security and the General Directorate of Narcotics Control), the Presidency of State Security (General Directorate of

Financial Investigations and the General Directorate of Intelligence), the Public Prosecution, and the Ministry of Commerce and Investment, the General Authority of Customs, the Saudi Arabian Monetary Authority, and the Permanent Committee for Legal Assistance Requests at the Ministry of Interior.

The workshop aimed at enhancing the capabilities and competencies of those working in the AML area in conducting financial investigations in ML crimes committed by third parties.



## 7: Regional and international Participations

AMLPC continuously works in cooperation with the relevant national committees to unify efforts and represent the Kingdom on an ongoing basis in regional and international forums through the Kingdom's membership as a founding member in the MENAFATF and a full member in the FATF. AMLPC also follows up on developments and international requirements and informs relevant authorities of such information. The Kingdom participates in the work teams emanating from the two groups. The Kingdom co-chairs the MENAFATF mutual evaluation working group and effectively participates in all work teams by providing inputs and giving presentations that highlight the Kingdom's procedures and efforts and serve its interests. At the same time, the Kingdom supports the work and activities of the MENAFATF.

AMLPC also participates effectively in international and regional workshops and seminars through giving presentations and submitting working papers to highlight the Kingdom's efforts and procedures in the areas of AML, CFT and CPF. One of the

most prominent participations was "Typologies and Capacity Building Workshop" organized by the MENAFATF, in cooperation with Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), and Task Force on Money Laundering in Central Africa (GABAC). The workshop was held in Cairo, Egypt, during the period 30/7-2/8/2019, on "Recovery of ML Assets Derived from Corruption related Offences". Moreover, AMLPC participated in a workshop held in Riyadh, in September 2019, entitled "Supervisors' Understanding of TF Risks."

The AMLPC Secretariat has also qualified a number of international assessors to participate in the fourth round of the FATF Mutual Evaluation and the second round of the MENAFATF Mutual Evaluation and the subsequent follow-ups. The Kingdom has participated (and is currently participating) in the evaluation of a number of countries, such as Jordan, Mauritania, Iceland, Indonesia, and Egypt, as a assessor or reviewer.



Source: Twitter @fatfnews

# 8. Identification of Indicators, Methods, Typologies and Trends of ML Crimes

AMLPC has developed a mechanism for identifying indicators, methods, typologies and trends of money laundering crimes. The mechanism aims to assist the authorities concerned with combating money laundering crimes and their associated predicate crimes in identifying relevant indicators, methods, typologies and trends and preparing periodic typologies reports that include case examples from these authorities.

The importance of identifying indicators, methods, typologies and trends of the Kingdom's ML crimes lies in identifying the latest developments in this regard, thus taking appropriate precautions and measures to mitigate the risks of exploiting loopholes in money laundering operations. The mechanism covers the following aspects:

1. Standard definitions of indicators, methods, typologies and trends.
2. Criteria for selecting case studies.
3. Requirements of case studies.
4. Mechanism for submitting case studies.

AMLPC has also adopted recently the questionnaire for collecting case studies to help authorities in collecting case studies based on the mechanism approved. Relevant authorities are currently working on completing the monitoring of the indicators, methods, typologies and trends associated with money laundering, in preparation for the issuance of the authorities' annual reports.

## 9: Media Campaign

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The first phase of the media awareness campaign on ML risks was launched on 6/3/1441H (4/11/2019), based on the AML/CFT National Strategic Objectives and the Action Plan prepared for the implementation of these objectives approved by the Council of Ministers' Resolution No. (42) dated 15/1/1440H (26/9/2018), as stated in the Fifth Strategic Objective "to raise awareness about combating money laundering and terrorist financing."

The campaign aims to raise awareness and disseminate useful information to the public on ML crimes and methods to warn against them. The campaign introduced the Kingdom's efforts in the fight against money laundering and the role

of AMLPC and its members to counter money laundering, and raised awareness on ML ways and methods. Multiple media platforms have been used to deliver media material to the largest possible segment of society. Social media platforms have also been used to deliver awareness raising messages.

During the second phase, the campaign will be expanded to include several other media channels, including ATMs, SMS, e-mail, influencers on social media, and other channels for bank customers.

Number of Awareness Posts on Social Media Accounts

|   |           |          |
|---|-----------|----------|
|  | Twitter   | 76 posts |
|  | Facebook  | 76 posts |
|  | Instagram | 7 posts  |

| Examples of messages published many times   |                      |                          |
|---|----------------------|--------------------------|
| Messages  | Monitoring Messages  |                          |
|   | Facebook             | Twitter                  |
| Money laundering operations are processes by which criminals legitimize the proceeds resulting from criminal activities.  | 210 views<br>7 Like  | 124233 views<br>74 Like  |
| Money laundering offenses pose a serious risk to the economic and social aspects of any state, especially those, which implement weak measures in fighting such crimes.   | 573 Views<br>6 like  | 105168 Views<br>60 like  |
| Money laundering operations in any country may lead to the spread of the shadow economy or commercial concealment, resulting into a decline in economic growth.   | 612 Views<br>10 like | 177232 Views<br>107 like |
| Beware when an individual requests a money transfer from your account to someone who is unknown for any reason; this person might be suspected by the authorities.  | 683 views<br>5 Like  | 117662 views<br>95 Like  |
| Beware of any request to receive money in your bank account for the purpose of its fragmentation and transfer to several people, as you might be subject to punishment for a possible involvement in money laundering operations. | 847 views<br>7 Like  | 176065 views<br>127 Like |

| Examples of messages published many times  |                      |                          |
|--|----------------------|--------------------------|
| Messages   | Monitoring Messages  |                          |
|  | Facebook             | Twitter                  |
| Do not give others an opportunity to exploit products and services provided by your bank where negligence will conceal the actual beneficiary, and enable criminals to hide behind your identity and execute illegal operations. | 572 views<br>8 Like  | 145749 views<br>73 Like  |
| A Saudi sentenced to imprisonment for money laundering shall be banned from traveling outside Saudi Arabia for a period equal to the term of imprisonment.   | 548 views<br>5 Like  | 151742 views<br>66 Like  |
| It is important to disclose the real source of funds and the actual purpose of the transaction when dealing with financial institutions, as incorrect data may expose you to accountability.                                     | 724 views<br>12 Like | 192051 views<br>118 Like |
| The perpetrator of money laundering shall be punished with a fine of up to seven million riyals and imprisonment for up to fifteen years or both, as prescribed by laws in force.  | 625 views<br>7 Like  | 133789 views<br>93 Like  |

## Design and visual materials

### Designs



Instagram  
Views : 874  
Like : 29



Facebook  
Views : 277  
Like : 6

Twitter  
Views : 127056  
Like : 71



Instagram  
Views : 921  
Like : 21



Facebook  
Views : 167  
Like : 2

Twitter  
Views : 113693  
Like : 41



Instagram  
Views : 967  
Like : 25



Facebook  
Views : 353  
Like : 7

Twitter  
Views : 141362  
Like : 82

Design and visual materials

Visual materials



Instagram  
Views : 948  
Like : 18

Facebook  
Views : 391  
Like : 6

Twitter  
Views : 323067  
Like : 116



Instagram  
Views : 967  
Like : 15

Facebook  
Views : 505  
Like : 8

Twitter  
Views : 376587  
Like : 126



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