FEDERAL REPUBLIC OF SOMALIA

Anti-Money Laundering and Countering the Financing of Terrorism Amendment Act, 2025

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PART I: DEFINITIONS

Art. 1: Definitions

For the purposes of this Act, the terms below shall have the following meanings:

1. **“Account”** includes any facility or arrangement through which a reporting entity does any one or more of the following activities—
   a. Accepts deposits of monetary instruments;
   b. Allows withdrawals of monetary instruments or transfers into or out of the account;
   c. Pays checks or payment orders drawn on a financial institution or collects checks or payment orders on behalf of any person;
   d. Supplies a facility or arrangement for a safety deposit box or a fixed term deposit;
   e. Allows payments via a debit or credit card; or
   f. Makes, and accepts repayment of, loans.

2. **“Accurate information”** is information which has been verified to confirm its accuracy by verifying the identity and status of the legal and beneficial owners using reliable, independently sourced/obtained documents, data or information.

3. **“Adequate information”** is information that is sufficient to identify the natural person(s) who are the legal and beneficial owner(s), and the means and mechanisms through which beneficial ownership or control is exercised.

4. **“Anonymous account”** means an account using pseudonyms, fictitious names, or numbered accounts, without the account holder's name.

5. **“Basic information”** refers to the information specified in paragraph (1) of Article 23D of this Act.

6. **“Bearer negotiable instruments” or “BNIs”** mean monetary instruments in bearer form, such as traveler’s checks or negotiable instruments (including checks, promissory notes, and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee, incomplete instruments that are signed but with the payee’s name omitted, or are otherwise in such form that title thereto passes upon delivery, such that whoever holds the instrument may sell or exchange it for cash or other value.

7. “**Bearer shares**” refers to negotiable instruments that accord ownership in a legal person to the person who possesses the bearer share certificate.

8. **“Beneficial owner”** means the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes the natural person(s) who exercise(s) ultimate effective control over a legal person or legal arrangement.

9. “**Beneficiary**”, in the context of trust law, means the natural person, legal person, or legal arrangement that is entitled to the benefit of any trust arrangement. In the context of life insurance or another investment-linked insurance policy, “beneficiary” means the natural person, legal person, legal arrangement, or category of persons that will be paid the policy proceeds if/when an insured event occurs, which is covered by the policy. In the context of wire transfers, “beneficiary” refers to the natural or legal person or legal arrangement who is identified by the originator as the receiver of the requested wire transfer.

10. **“Benefit”** means any advantage, gain, profit, or payment of any kind, and the value that a person derives or obtains or that accrues to him, to include those derived or obtained by, or that otherwise accrue to, a person under his ownership or control.

11. **“Business relationship”** means a professional relationship

expected at its inception to last for a period of time and to include multiple transactions or provisions of services.

12. **"Competent authority"** means a public authority with designated responsibilities for combating money laundering and/or terrorist financing.

13. **"Competent Monitoring and Supervisory Bodies"** means the authorities or other bodies that, under the corresponding regulations, are designated as being responsible for monitoring and ensuring reporting entities' compliance with their obligations under this Act and its implementing regulations.

14. **"Confiscation"**, which includes forfeiture where applicable, means the permanent deprivation of funds or other assets by order of a competent authority or a court.

15. **"Confiscation *in rem*"** means confiscation enforced pursuant to a legal proceeding relating to a criminal offense for which a criminal conviction is not required.

16. **"Correspondent Banking"** means the provision of banking services by one bank (the "correspondent bank") to another bank (the "respondent bank").

17. **"Country"**—all references to country or countries apply equally to territories or jurisdictions.

18. **"Customer"** means a person or a legal arrangement that purchases goods or services, including advice or advisory services, from a reporting entity.

"Delisted Person or Entity" means a person or entity removed from a sanctions list such that that person or entity is no longer subject to targeted financial sanctions.

"Designated Non-Financial Businesses and Professions" or "DNFBPs" means:

(a) Real estate agents.
(b) Dealers in precious metals.
(c) Dealers in precious stones.
(d) Lawyers, notaries, and other independent legal professionals and accountants.
(e) Trust and Company Service Providers, which, as a business, provide any of the following services to third parties:
   - acting as a formation agent of legal persons;
   - acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
   - providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
   - acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent function for another form of legal arrangement; or
   - acting as (or arranging for another person to act as) a nominee shareholder for another person.

"Designated person or entity" means any person or entity identified by a United Nations (UN) Security Council Sanctions Committee, the UN Security Council itself, or the National Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Committee (NAMLC or "the Committee") as subject to targeted financial sanctions.

"Economic Resources" means assets of every kind that can be used to obtain funds or other assets, goods, or services.

"Entity", in the context of Article 19A, means any association, unregistered organization, partnership, fund, or any other group lacking a legal personality.

"Financial institution" means any legal person defined as such in or pursuant to the Financial Institutions Act, 2012, and any subsequent amendments, as well as any natural or legal person who conducts one or more of the following activities or operations for or on behalf of a customer:

(a) Acceptance of deposits and other repayable funds from the public, including private banking;
(b) Lending, including consumer credit; mortgage credit; factoring (with or without recourse); and finance of commercial transactions (including forfeiting);
(c) Financial leasing, except in relation to consumer products;
(d) Money or value transfer services;
(e) Issuing and managing means of payment (e.g., credit and debit cards, checks, traveler's checks, money orders and bankers' drafts, or electronic money);
(f) Financial guarantees and commitments;
(g) Trading in money market instruments (checks, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate, and index instruments; transferable securities; or commodity futures;
(h) Individual and collective portfolio management;
(i) Safekeeping and administration of cash or liquid securities on behalf of other persons;
(j) Otherwise investing, administering, or managing funds or money on behalf of other persons;
(k) Money and currency changing.
(l) Electronic money, also known as "e-money", services;
(m) Securities issues and the provision of financial services related thereto; or
(n) Underwriting and placing life insurance and other investment-related insurance.

"Financing of terrorism," means the offence of financing of terrorism as defined in Article 3 of this Act.

"Freeze" means: to prohibit the transfer, conversion, disposition, or movement of any funds or other assets that are owned or controlled by designated persons or entities on the basis of, and for the duration of the validity of, an action initiated by the United Nations Security Council or in accordance with applicable Security Council resolutions by a competent authority.

“Foreign Counterpart” means foreign competent authorities performing similar duties and functions within the framework of the requested cooperation.

“Funds” means assets of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, however, acquired, and legal documents or instruments, including electronic or digital, evidencing title to, or interest in, such assets.

“**Funds or other assets**” means any assets, including, but not limited to, financial assets, economic resources (including oil and other natural resources), property of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such funds or other assets, including, but not limited to, bank credits, traveler’s checks, bank checks, money orders, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds or other assets, and any other assets which potentially may be used to obtain funds, goods, or services.

“Instrumentality” and “instrumentalities” means any funds used or intended to be used, in any manner, wholly or in part, in connection with the commission of a criminal offence, including funds used or intended to be used in the financing of terrorism, terrorist acts, terrorist organizations, or individual terrorists.

“Foreign Terrorist Fighter” means an individual who travels to a State other than his or her State of residence or nationality for the purpose of the perpetration, planning, preparation of, or participation in, terrorist acts or the providing or receiving of terrorist training.

“Identification data” refers to reliable, independent source documents, data, or information.

“Legal arrangement” means an express trust or other similar legal arrangement.

“Legal person” means any entity other than a natural person or a legal arrangement that can establish a permanent customer relationship with a financial institution, a DNFBP, or a VASP or that can otherwise own funds.

“Listing” means the name of any person or entity subject to targeted financial sanctions pursuant to UN Security Council Resolutions, all associated identifying information, and the reasons for the designation.

“Money laundering” means an offence under the provisions of Article 2 of this Act.

“Nominator” refers to the individual, group of individuals, or legal person that issues instructions, directly or indirectly, to another individual or legal person (“the nominee”) to act on their behalf in the capacity of a director or a shareholder.

“Nominee” refers to the individual or legal person instructed by another individual or legal person (“the nominator”) to act on their behalf in a certain capacity regarding a legal person. A nominee is never the beneficial owner of a legal person.

“New technology” means the development of new products and new business practices, including new delivery mechanisms, and the use of developing technologies for both new and existing products.

“Payable through accounts” means correspondent accounts that are used directly by third parties to transact business on their own behalf.

“Person” means any natural or legal person.

“Physical cross-border transportation” means any in-bound or out-bound physical transportation of currency or BNIs from one country to another country, including physical transportation by a natural person, or in that person's accompanying luggage or vehicle; shipment of currency or BNIs through containerized cargo; or the mailing of currency or BNIs by a natural or legal person.

"Politically exposed persons" or "PEPs" means any natural persons who are or have been entrusted with prominent public functions by the Federal Republic of Somalia ("domestic PEPs") or by a foreign country ("foreign PEPs"), for example, Heads of State or of government; senior politicians; senior government, judicial, or military officials; senior executives of state-owned corporations, or important political party officials, as well as members of the senior management of international organizations ("international PEPs")..

"Occasional transactions" shall have the meaning given to it in Article 5.

"Predicate offense", means any criminal offense, defined as a crime in the Criminal Code or other relevant laws, that generates proceeds. Predicate offenses include the terrorist financing offense as set out in Article 3 of this Act, and predicate offenses committed outside of the Federal Republic of Somalia if they would have constituted predicate offences within the Federal Republic of Somalia.

"Proceeds", as in "proceeds of crime", means any funds, property, or any advantage or benefit derived from or obtained, directly or indirectly, through the commission of an offense.

"Reporting entity" means any natural or legal person so defined in Article 4 of this Act.

"Register of beneficial owners" has the meaning given by Article 23C.

"Restrain" means to prohibit the transfer, conversion, disposition, or movement of any funds, equipment or other instrumentalities on the basis of, and for the duration of the validity of, an action initiated by a competent authority or a court under a restraining mechanism, or until a forfeiture or confiscation determination is made by a competent authority.

"Seizure" means a prohibition on the transfer, conversion, disposition, or movement of funds on the basis of an action initiated by a competent authority or a court under a freezing mechanism that allows that competent authority or court to take control of the specified funds.

"Settlor" means a natural or legal person who transfers ownership of their assets to one or more trustees by means of a trust deed or similar arrangement.

"**Shell bank"** means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is not affiliated with a regulated financial group that is subject to effective consolidated supervision. In this context, "physical presence" means having meaningful decision-making structures and management located within the country in which the bank is incorporated and licensed.

"Structuring," means to conduct or to attempt to conduct one or more transactions in any amount at one or more financial institutions, DNFBPs, or VASPs on one or more days in any manner for purposes of evading the reporting requirements set out in this Act.

"**Suspicious Transaction Report"** means a report submitted pursuant to Article 14 of this Act.

"Targeted Financial Sanctions" means both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated persons and entities.

"Terrorist" means any natural person who:

1. Commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully;
2. Participates as an accomplice in terrorist acts;
3. Organizes or directs others to commit terrorist acts; or

4. Contributes to the commission of terrorist acts by a group of persons acting with a common purpose, where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

"Terrorist act" means:
1. An act which constitutes an offence within the scope of, and as defined in, any one of the treaties listed in the annex to the 1999 International Convention for the Suppression of the Financing of Terrorism; and
2. Any other act that is intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

"Terrorist organization" means any group of terrorists that:
1. Commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully;
2. Participates as an accomplice in terrorist acts;
3. Organizes or directs others to commit terrorist acts; or
4. Contributes to the commission of terrorist acts by a group of persons acting with a common purpose, where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

"**Terrorist property"** means:
1. Proceeds from the commission of a terrorist act or proceeds of the financing of terrorism;
2. Property which has been, is being, or is intended to be used to commit a terrorist act;
3. Property which has been, is being, or is intended to be used by a terrorist organization or an individual terrorist;
4. Property owned or controlled by or on behalf of a terrorist organization; or
5. Property, which has been, is being or is intended for use in the financing of terrorism.

“The Center” means the Financial Reporting Center established under Part IV of this Act.

“The Committee” means the National Anti-Money Laundering Committee.

“Trust and Company Service Providers” refers to all persons who, as a business, provide any of the following services to third parties:
- Acting as a formation agent of legal persons;
- Acting as (or arranging for other persons to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
- Providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership, or any other legal person or arrangement;
- Acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent function for another form of legal arrangement;
- Acting as (or arranging for another person to act as) a nominee shareholder for another person.

“Up-to-date information” means information which is as current and up-to-date as possible, and is updated within one (1) month following any change.

“Virtual asset” means a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes.

“Virtual Asset Service Provider” or “VASP” means any natural or legal person who, as a business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:

(a) exchange between virtual assets and fiat currencies;
(b) exchange between one or more forms of virtual assets;
(c) transfer of virtual assets;
(d) safekeeping and/or administration of virtual assets or instruments

enabling control over virtual assets; and

(e) participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

PART II: MONEY LAUNDERING AND TERRORISM FINANCING OFFENCES

Art. 2: Money laundering offenses

1. Any person commits the offense of money laundering who knows or should have known that funds are or form part of, directly or indirectly, the proceeds of crime and the person:

    a. Converts or transfers the funds for the purpose of concealing or disguising the illicit origin of the funds or of helping any person who is involved in the commission of the predicate offense to evade the legal consequences of his or her action;
    b. Conceals or disguises the unlawful origin of the funds or their true nature, location, disposition, movement, or ownership, or rights with respect to such funds; or
    c. Acquires, uses, or takes possession of the funds.

2. Any person commits the offense of attempted money laundering who attempts to commit an offense within the meaning of paragraph (1) of this Article.

3. Any person commits the offense of abetting money laundering who participates in, associates with, or conspires in the commission of, or aids, abets, facilitates, or counsels anyone in the commission of an offense within the meaning of paragraph (1) of this article.

3. The offense of money laundering is committed regardless of the type or value of the funds that represent, directly or indirectly, the proceeds of crime. The intent and knowledge required to prove the offense of money laundering may be inferred from objective factual circumstances.

4. When proving that funds are the proceeds of crime, it is not necessary that any person has been convicted of the predicate offense.

5. The statute of limitation for the offense of money laundering is 10

years from the time the offense was committed. The limitation can be disrupted by initiating an investigation, including by charging the suspected person.

Art. 2A: Criminal sanctions for natural persons committing money laundering offenses

1. Natural persons guilty of the offense within the meaning of paragraph (1) of Article 2 of this Act are liable to imprisonment of three (3) to ten (10) years and a fine of not less than One Thousand Dollars (USD $1,000) and up to threefold the value of the funds involved in and derived from the commission of the offense.
2. Natural persons guilty of an offense within the meaning of paragraph (2) or (3) of Article 2 of this Act are liable to imprisonment of eighteen (18) months to five (5) years and or One Thousand Dollars (USD $1,000) and up to threefold the value of the funds involved in and derived from the commission of the offense.

Art. 2B: Criminal Sanctions for Legal Persons committing money laundering offenses

1. Legal persons guilty of an offense within the meaning of paragraph (1) of Article 2 of this Act are liable to a fine of not less than Twenty-Five Thousand Dollars (USD $25,000) and up to tenfold the value of the funds involved in and derived from the commission of the offense.

2. Legal persons guilty of an offense within the meaning of paragraphs (2) or (3) of Article 2 of this Act are liable to a fine of not less than Twenty-Five Thousand Dollars (USD $25,000) and up to fivefold the value of the funds involved in and derived from the commission of the offense.

Art. 3: Terrorism financing offenses

1. Any person commits the offense of terrorism financing who, by any

means, directly or indirectly, willfully provides or collects funds or other assets with the unlawful intention that they should be used or in the knowledge that they are to be used, in whole or in part:

a. In order to carry out a terrorist act;
b. By an individual terrorist;
c. By a terrorist organization; or
d. To finance the travel of a foreign terrorist fighter.

2. An offense under paragraph (1) is committed:
   a. Even if a terrorist act does not occur or is not attempted.
   b. Regardless of whether the funds or other assets:
      i. Were actually used to commit or attempt to commit a terrorist act;
      ii. Are linked to a specific terrorist act; or
      iii. Are from a legitimate or illegitimate source.
   c. Regardless of the state or territory in which:
      i. the terrorist act occurred or is intended to occur; or
      ii. the individual terrorist or the terrorist organization is located.
3. Any person commits the offense of attempted terrorism financing who attempts to commit an offense within the meaning of paragraph (1) of this article.
4. Any person commits the offense of abetting terrorism financing who:
   a. Participates as an accomplice in an offense within the meaning of paragraph (1) of this Article;
   b. Organizes or directs others to commit an offense within the meaning of paragraph (1) of this Article; or
   c. Intentionally contributes to the commission of an offense under paragraph (1) of this Article by a group of persons acting with a common purpose, where the contribution is made either:

      i. to further the criminal activity or criminal purpose of the group, where such activity or purpose includes the commission of an offense within the meaning of paragraph (1) of this Article; or

      ii. in the knowlege of the intention of the group to commit an offense within the meaning of paragraph (1) of this Article.

5. The intent and knowledge required to prove an offense within the meaning of paragraph (1), (3), or (4) of this Article may be inferred from objective factual circumstances.

6. The statute of limitation for an offense within the meaning of paragraph (1), (3), or (4) of this Article is 10 years from the time the offense was committed. The limitation can be disrupted by initiating an investigation, including by charging the suspected person.

7. An offense within the meaning of paragraph (1), (3), or (4) of this Article is a predicate offense to money laundering.

Art. 3A: Criminal sanctions for natural persons committing terrorism financing offenses

1. Natural persons guilty of an offense within the meaning of paragraph (1) of Article 3 of this Act are liable to imprisonment for at least fifteen (15) years and a fine of no less than Five Thousand Dollars (USD $5,000) and up to fivefold the value of the funds or other assets involved in and derived from the commission of the offense.

2. Natural persons guilty of an offense within the meaning of paragraph (3) or (4) of Article 3 of this Act are liable to imprisonment for at least eight (8) years and a fine of no less than Five Thousand Dollars (USD $5,000) and up to fivefold the value of the funds or other assets involved in and derived from the commission of the offense.

Art. 3B: Criminal sanctions for legal persons committing terrorism financing offenses

1. Legal persons guilty of an offense within the meaning of paragraph (1) of Article 3 of this Act are liable to a fine of not less than Twenty-Five Thousand Dollars ($25,000) and up to tenfold the value of the funds involved in and derived from the commission of the offense.

2. Legal persons guilty of an offense within the meaning of paragraphs

(3) or (4) of Article 3 of this Act are liable to a fine of not less than Twenty-Five Thousand Dollars ($25,000) and up to fivefold the value of the funds involved in and derived from the commission of the offense.

Art. 3C: Compulsory confiscation for the commission of money laundering and terrorism financing offenses

1. In all cases of conviction for the money laundering offense or attempt to commit the money laundering offense, the courts order the confiscation, for the benefit of the State, of the funds used or intended to be used to commit the offense, of the proceeds derived from the offense, of movable or immovable funds into which these funds were transformed or converted, of the legitimately acquired funds with which these funds were intermingled, and of income and other advantages derived from these funds , regardless of the person to whom these funds belong to, unless the legitimate owner establishes that he was unaware of their illegitimate nature.
2. In all cases of conviction for the terrorism financing offense or attempt to commit the terrorism financing offense, the courts order the confiscation, for the benefit of the State, of the funds and other assets linked to the terrorism financing offense as well as of any movable or immovable funds intended or having been used for the commission of the terrorism financing offense. The State may allocate the funds and other financial assets to a fund to combat organized crime or to compensate victims of terrorism or their beneficiaries.
3. The decision ordering the confiscation provided for in paragraphs (1) and (2) of this Article identifies and locates the funds and other assets involved. When the funds and other financial assets to be confiscated cannot be represented, their confiscation may be ordered in corresponding value.
4. Any person who claims to have a right to funds or other financial assets which are subject of confiscation may, to have his or her rights restored, apply to the court which rendered the confiscation

order within a period of six (6) months, from the notification of the decision.

PART III: PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Art. 4: Institutions and professions subject to this Act

The preventive obligations under this Act shall apply to the following persons, hereinafter referred to as “reporting entities,” which shall be subject to the measures and obligations prescribed by this Act:

1. Financial institutions;
2. Designated non-financial businesses and professions, specifically:
   a. Lawyers, notaries, other independent legal professionals, and accountants when they arrange or carry out transactions for their clients concerning the following activities:
      - Buying and selling real estate;
      - Buying and selling movable assets;
      - Managing client money, securities, or other assets;
      - Opening or managing bank, savings, or securities accounts;
      - Securing contributions, including capital, necessary for the creation, operation, or management of companies; or
      - Creating, operating, or managing a legal person, legal arrangement, or business organization and buying and selling business entities;
   b. Trust and company service providers, when they prepare for or carry out transactions for a client concerning the following activities:
      - Acting as a formation agent of legal persons;
      - Acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
      - Providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
      - Acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent function for another form of legal arrangement;
      - Acting as (or arranging for another person to act as) a

nominee shareholder for another person;

c. Real estate agents, when they are involved in transactions for their clients concerning the buying and selling of real estate;
d. Dealers in precious metals or precious stones, when they engage in any cash transaction with a customer equal to or above the applicable threshold designated in regulation;

3. Virtual Asset Service Providers; and

Such other persons as may be prescribed in regulations issued by the Financial Reporting Center and approved by the Minister.

Art. 5: Customer due diligence

1. Reporting entities shall undertake the following customer due diligence (CDD) measures:
   a. Identify the customer and verify the customer's identity using reliable, independent source documents, data, or other information (identification data);
   b. Verify that any person purporting to act on behalf of the customer is so authorized and identify and verify the identity of that person;
   c. Identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using relevant information and data obtained from a reliable source, such that the reporting entity is satisfied that it knows who the beneficial owner is and, in the case of legal persons or arrangements, that it understands the ownership and control structure of the customer;
   d. Understand and, as appropriate, obtain information on the purpose and intended nature of the business relationship; and
   e. Conduct ongoing due diligence on the business relationship, including:
      i. Scrutinizing transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the reporting entity's knowledge of the customer, including its business and risk profile, and, where necessary, the source of funds; and
      ii. Ensuring that documents, data, or information collected as part of the CDD process is kept up-to-date and relevant, by undertaking reviews of existing records, particularly for

higher risk categories of customers.

2. Reporting entities shall apply customer due diligence measures whenever:
   a. Establishing business relations;
   b. Carrying out occasional transactions or one-off transactions equal to or exceeding the designated threshold of Ten Thousand Dollars (USD $10,000) or the equivalent in any currency, including situations where the transaction is carried out in a single operation or in several operations that appear to be linked;
   c. Money laundering or terrorist financing is suspected, regardless of any exemption or threshold;
   d. Carrying out occasional transactions that are wire transfers of One Thousand Dollars (USD $1,000) or more, or the equivalent in any currency; or

   e. The reporting entity has doubts about the veracity or adequacy of previously obtained customer identification data.
3. In identifying and verifying the customer and beneficial owner's identities, reporting entities shall make all reasonable efforts to obtain and maintain information and/or documentation demonstrating that they are satisfied that the identity of the customer and beneficial owner is known and verified.
4. The Committee and/or the competent monitoring and supervisory bodies shall issue detailed regulations and guidelines that identify the minimum documentation required for each sector of reporting entities.
5. Simplified CDD measures may be applied by reporting entities according to regulations and guidelines issued by competent monitoring and supervisory bodies pursuant to this Act.
6. Any regulations issued by a competent monitoring or supervisory body per paragraph (5) of this Article that, in the interest of improving financial inclusion, reduces general customer due diligence obligations, requires prior consultation with the FRC and must be based upon a written finding of lower risk based on the specific circumstances and limitations of the product, service, or client category.

7. Legal persons and legal arrangements, including trusts, shall be identified through the following information:
   a. name, legal form, and proof of existence;
   b. the powers that regulate and bind the legal person or arrangement, as well as the names of the relevant natural person(s) holding (a) senior management position(s), and, if applicable, the license or permit, and
   c. the address of the registered office and, where different, that of the principal place of business.
8. Reporting entities shall identify and take reasonable measures to verify the identity of all the beneficial owners of legal persons and arrangements, including trusts, by obtaining sufficient documentation to understand the ownership and control structure of legal persons and legal arrangements, including trusts, through the following information:
   a. For legal persons:
      i. the identity of the natural persons who ultimately exercise control of the legal persons;
      ii. to the extent that there is doubt under (i) as to whether the persons with the controlling ownership interest are the beneficial owners or where no natural person exerts control through ownership interests, the identity of the natural person exercising control of the legal person through other means; and
      iii. where no natural person is identified under (i) or (ii) above, the identity of the relevant natural person who holds the position of senior managing official.
   b. For trusts: the identity of the settlor, the trustee, the protector (if any), and the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, including through a chain of control/ownership.
   c. For other types of legal arrangements: the identity of persons equivalent to the settlor, the trustee, the protector (if any), and the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the other type of legal arrangement, including through a chain of control/ownership.

9. Regulations issued by the Financial Reporting Center and/or the competent monitoring and supervisory bodies shall set forth detailed implementation requirements and guidelines to assist with the practical application of these provisions for various categories of reporting entities.

10. If the reporting entity is unable to comply with the obligations set out in this article and those set out in relevant regulations, then the reporting entity shall not open the account, commence business relations or perform an occasional transaction, or shall terminate the business relationship. In such cases, the reporting entity shall submit a suspicious transaction report to the Financial Reporting Center in relation to the customer.

Art. 6: Prohibition of anonymous accounts

Reporting entities shall not keep anonymous accounts or accounts in obviously fictitious names.

Art. 7: Prohibited relationships

Reporting entities are prohibited from establishing or maintaining business relationships, or executing transactions, with a shell bank or any financial institution with no physical presence in the jurisdiction in which it is incorporated or licensed.

Art. 8: Conducting Enhanced Customer Due Diligence

1. A reporting entity shall perform enhanced CDD if and to the extent that a business relationship or transaction, based on an adequate assessment of risks, entails a higher risk of money laundering or terrorist financing.
2. The enhanced CDD measures applied by a reporting entity must appropriately manage and mitigate the identified higher risks.
3. The competent monitoring and supervisory bodies shall issue detailed regulations and guidelines to assist with the implementation of a risk-based approach and the application of enhanced CDD measures.

Art. 9: Obligation to identify money laundering and terrorist financing risks

1. A reporting entity must carry out an internal (institutional) risk assessment to identify, assess, and understand its money laundering and terrorist financing risks. The risk assessment should take into account risks related to types of customers, countries or geographic areas, and particular products, services, transactions, or delivery channels, including non-face-to-face transactions, as well as new business practices, including new delivery mechanisms, and the use of new or developing technologies, for both new and pre-existing products.
2. With regard to new products, practices, and technologies, a reporting entity shall undertake the risk assessment described in paragraph (1) prior to the launch or use of such products, practices, or technologies.
3. When assessing risks pursuant to paragraph (1), a reporting entity shall take into account the results of risk assessments conducted at the national or sectoral level.
4. The nature and scope of the institutional risk assessments conducted pursuant to paragraph (1) should be appropriate to the nature and size of the reporting entity.
5. Internal risk assessments conducted pursuant to paragraph (1) must be documented in writing, conducted every year or at any other time, as needed or at the request of the relevant competent monitoring or supervisory body, and provided at the request of the relevant competent monitoring or supervisory body.

Art. 9A: Obligation to manage money laundering and terrorism financing risks

1. Each reporting entity shall consider all relevant risk factors (i.e., accounts, client groups, products, services, transactions, geographic factors, delivery channels, and new technologies) before determining what is the level of overall risk and the appropriate level and type of mitigation to be applied.
2. To limit and effectively manage the ML/TF risks identified by the country and its own institutional risk assessment, a reporting entity shall have policies, controls, and procedures, which are approved by senior management.

3. The policies, controls, and procedures put in place per subsection (2) shall include enhanced due diligence measures to manage and mitigate the risks where higher risks are identified by the reporting entity or have been designated pursuant to regulations or guidelines issued by the Financial Reporting Center and/or the competent monitoring and supervisory bodies.

Art. 10: Politically exposed persons

1. A reporting entity shall have appropriate risk management systems to determine whether the customer or beneficial owner is a politically exposed person (PEP).
2. A reporting entity is required to take the following measures with respect to any customer or beneficial owner who is a foreign PEP, and a domestic or international PEP with whom the reporting entity has a higher risk business relationship, or a family member or close associate of such PEPs:
   a. Obtain approval from senior management to transact or establishing a business relationship or continuing an existing business relationship;
   b. Take reasonable measures to establish the source of wealth and the source of funds;
   c. Review relevant sources of information on the politically exposed person; and
   d. Conduct enhanced ongoing monitoring of the business relationship.
3. With respect to life insurance policies, financial institutions are required to:
   a. Take reasonable measures to determine whether the beneficiaries and/or, where required, the beneficial owner of the beneficiary, are PEPs; and
   b. Where higher risks are identified:
      i. Inform senior management before the payout of the policy proceeds;
      ii. Conduct enhanced scrutiny on the whole business relationship with the policyholder; and
      iii. Consider making a suspicious transaction report.

Art. 11: Special monitoring of transactions

1. Reporting entities shall apply and document enhanced due diligence procedures to:
   a. Complex or unusually large transactions and unusual patterns of transactions that have no apparent lawful purpose or are suspicious in nature.
   b. Business relationships and transactions with natural and legal persons, and financial institutions, from higher-risk jurisdictions when called upon to do so by the Financial Action Task Force or a competent authority. Such enhanced due diligence measures shall be proportionate to the risks arising from the jurisdiction.
2. Reporting entities shall take such measures as may be prescribed by the Financial Action Task Force or a competent authority to counter the risks identified with respect to natural and legal persons, and financial institutions from high-risk jurisdictions.
3. The findings and related documentation shall be made available to competent monitoring and supervisory bodies in writing upon request and in a timely manner.

Art. 12: Correspondent bank due diligence obligations

1. When entering into correspondent banking relationships, financial institutions shall:
   a. Identify and verify the identification of the respondent institution;
   b. Collect and document sufficient information about a respondent institution to understand fully the nature of its business;
   c. Evaluate, from publicly available information, the respondent institution's reputation and the quality of the supervision to which it is subject, as well as whether it has been subject to a money laundering or terrorist financing investigation or a regulatory action;
   d. Obtain the written approval of senior management before establishing new correspondent banking relationships;
   e. Obtain and evaluate the anti-money laundering and combating the financing of terrorism controls, policies, and procedures implemented by the respondent institution, and,] upon request of a correspondent institution, provide a copy of the respondent institution's anti-money laundering and combating the financing

of terrorism controls, policies, and procedures for the correspondent institution to evaluate;

f. Establish an agreement on and clearly understand the respective anti-money laundering and combating the financing of terrorism responsibilities of the respondent and correspondent institutions; and

g. Satisfy themselves that the respondent institution is not a shell bank and does not permit its accounts to be used by shell banks.

2. In the case of payable-through accounts, financial institutions shall ensure that the respondent institution:
   a. Has performed effective and adequate customer due diligence procedures on all customers that have direct access to the accounts of the correspondent institution; and
   b. Agrees in writing and is able to provide relevant customer due diligence information to the correspondent bank upon request and in a timely manner.

Art. 13: Record-keeping

1. Reporting entities shall maintain, for at least five (5) years from the date of the transaction, all necessary records on transactions, both domestic and international, to enable them to comply swiftly with information requests from competent authorities. Such records shall be sufficient to permit the reconstruction of individual transactions (including the amounts and types of currency involved) for both account and non-account holders, so as to provide, if necessary, evidence for prosecution of criminal activity.
2. Reporting entities shall keep all records, obtained through the customer due diligence processes, including client files, account files, and business correspondence, as well as the results of any analysis undertaken for at least five (5) years after the business relationship has ended or after the date of the occasional transaction if no business relationship exists.
3. The identification data, transaction records, and all customer due diligence information and analysis shall be made available, upon appropriate authority, to the Financial Reporting Center, the relevant competent monitoring and supervisory body, or any other competent domestic authority, in a timely manner.

Art. 14: Reporting obligations

1. A reporting entity shall promptly report to the Financial Reporting Center all details related to any funds, transactions, or series of transactions, including any attempted transactions, and regardless of the amount, if it suspects or has reasonable grounds to suspect that the funds, transactions, series of transactions, or attempted transaction(s) are or may be related to:

   a. Money laundering as defined in Article 2 of this Act or to proceeds of crime; or

   b. Terrorism financing as defined in Article 3 of this Act.

2. A reporting entity shall promptly report to the Financial Reporting Center any transactions, series of transactions that appear to be linked, or attempted cash transactions that exceed a designated threshold in United States Dollars (USD) or the equivalent in any currency that will be determined by regulation. The threshold-based reporting can be extended to other types of transactions by regulation.

   2A. A reporting entity shall promptly report to the Financial Reporting Center any transactions, attempted transactions, or series of transactions or attempted transactions that, due to their amount, timing, or other characteristics, appear to constitute structuring in that they appear to be designed to evade the reporting requirements set out in this Act.

3. The reports required of reporting entities under this Act shall be sent to the Financial Reporting Center in such a form and in accordance with such procedures as may be prescribed in regulations or guidelines issued by the Financial Reporting Center and/or the competent monitoring and supervisory bodies. Reporting entities shall always comply with these instructions.

Art. 14A: Structuring Offenses

1. Any person commits the offense of structuring who, for the purpose of evading the reporting requirements set out in this Act, causes or attempts to cause a reporting entity to fail to file a report

required under this Act or under any regulation issued in accordance with this Act.

2. Any person commits the offense of abetting structuring who participates in, associates with, or conspires in the commission of, or aids, abets, facilitates, or counsels anyone in the commission of an offense within the meaning of within the meaning of paragraph (1) of this Article.

Art. 14B: Penalties for Structuring Offenses

3. The following criminal penalties may be imposed against persons committing the offense within the meaning of paragraphs (1) and (2):
    a. Imprisonment of not less than six (6) months; and/or
    A fine of not less than Five Hundred Dollars (USD $500) and up to twofold the amount involved in the commission of the offense.

Art. 14C: Exemption from the reporting obligation

By way of derogation from the requirements of Article 14 and 14A, lawyers, notaries, and other independent legal professionals and accountants are not required to comply with the reporting obligation if the relevant information was obtained in circumstances where they are subject to professional secrecy or legal professional privilege, including in the course of ascertaining the legal position of their client or in performing their task of defending or representing that client in, or concerning judicial, administrative arbitration or mediation proceedings, whether this information is received or obtained before, during or after these proceedings, except if these reporting entities have taken part in money laundering or terrorism financing activities, have provided legal advice for money laundering or terrorism financing purposes or knew that the client has sought legal advice for such purposes.

Art. 15: Confidentiality and Exemption from liability for bona fide reporting of suspicions

1. Reporting entities, their directors, officers, and employees shall not be held liable in any way, including criminal, civil, or administrative liability, for breach of any restriction on disclosure of information

imposed by contract or by any legislative, regulatory, or administrative provision, while fulfilling obligations to report suspicious transactions or cash transactions that exceed the designated threshold determined by regulation, or any related information in good faith to the Financial Reporting Center.

2. Reporting entities, their directors, officers, and employees are prohibited from disclosing the fact that a suspicious transaction report or related information has been or is being reported to the Financial Reporting Center or, upon appropriate authority, to the competent monitoring and supervisory bodies.
3. Any actions by lawyers, notaries, and other independent legal professionals, and accountants to endeavor to dissuade their client from taking part in an illegal activity does not constitute a disclosure within the meaning of paragraph (2) of this Article.
4. Directors, officers, and employees of financial institutions may reveal to the judicial authorities or law enforcement authorities acting on delegation by the judicial authorities that information has been transmitted to the Center in application of Article 14 of this Act. In such instances, the judicial authorities or the law enforcement authorities acting on their delegation may request confirmation from the Center of the existence of said declaration.
5. The suspicious transaction and other types of reports are only accessible to the judicial authority or the law enforcement authorities acting on their delegation upon request from the Center and only in cases where such report is necessary to invoke the liability of the reporting entities cited in Article 4 of this Act, their directors, officers and employees and when a criminal investigation reveals that they may be involved in the money laundering or terrorism financing operations that they have reported.

Art. 16: Secrecy obligation overridden

Every reporting entity, competent monitoring or supervisory body, and auditor shall comply with the requirements of this Act notwithstanding any obligation as to secrecy or any other restriction on the disclosure of information imposed by any law or otherwise.

Art. 17: Anti-money laundering and combating the financing of

terrorism program

1. Reporting entities shall develop and implement programs to combat money laundering and terrorism financing and for the assessment, detection, management, and mitigation of money laundering and terrorist financing risks. Such programs shall include the following:
   a. Written internal policies, procedures, and controls, signed and dated by senior management, that are based on anti-money laundering and combating the financing of terrorism risks and the size of the business, as well as relevant laws, regulations, and guidelines;
   b. Compliance management arrangements, to include the designation of an anti-money laundering and combating the financing of terrorism compliance officer responsible for enforcing the policies, procedures, and controls;
      i. The compliance officer shall have ready access to all books, records, and employees of the institution, as necessary to fulfil his or her responsibilities.
      ii. The compliance officer shall be a senior manager with sufficient experience and shall be sufficiently resourced.
   c. Adequate screening procedures to ensure high standards when hiring employees;
   d. Regular training for staff, agents of money or value transfer services, and management, which shall be documented and monitored for compliance; and
   e. Independent internal or external audit arrangements to check compliance with, and the effectiveness of, the internal policies, procedures, and controls referred to in subsection (a) and of all other measures taken to apply this Act.
      i. Persons responsible for internal audit shall also be responsible for assessing the overall adequacy of the anti-money laundering and combating the financing of terrorism program, testing its implementation, and evaluating compliance with the program.
2. Reporting entities that, along with their branches and majority-owned subsidiaries, constitute a group shall implement group-wide programs against money laundering and terrorist financing that are applicable and appropriate to all the branches and majority-owned

subsidiaries of the group. These programs should include:

a. The measures required in paragraph (1), sub-paragraphs (a) to (e) at group level;

b. Policies and procedures for exchanging customer, account, and transaction information among all the entities of the group, to include branches and majority-owned subsidiaries, whenever necessary for anti-money laundering and combating the financing of terrorism purposes, such as conducting customer due diligence, analyzing and reporting suspicious transactions, and managing money laundering and terrorist financing risks; and

c. Adequate safeguards on the confidentiality and use of the information exchanged and the prevention of tipping-off.

3. Where the minimum anti-money laundering and combating the financing of terrorism requirements of a host country are less strict than those of the Federal Republic of Somalia:

a. Reporting entities shall require their foreign branches and majority-owned subsidiaries to apply anti-money laundering and combating the financing of terrorism measures consistent with the requirements in place in the Federal Republic of Somalia, to the extent that the domestically applicable laws and regulations of the host country so permit.

b. If the domestically applicable laws and regulations of a host country do not permit compliance with the obligations laid out in sub-paragraph (a), above, those reporting entities that, along with their foreign branches and majority-owned subsidiaries, constitute a group shall so advise their competent monitoring and supervisory bodies, which may take appropriate additional supervisory actions, and shall apply appropriate additional measures to manage their money laundering and terrorism financing risks.

c. If the purposes of this Act cannot be accomplished, the relevant competent monitoring and supervisory body can decide that a foreign branch or majority-owned subsidiary be closed.

d. Reporting entities need to have in place efficient information sharing arrangements with any foreign branches and majority-owned subsidiaries so as to be able to respond to information requests issued by the relevant competent monitoring and supervisory bodies without delay.

Art. 18: Currency reporting at ports of entry

1. Any person who:
   a. Leaves or arrives in the Federal Republic of Somalia in possession of, or imports to or exports from by mail, courier, or otherwise, an amount of Ten Thousand Dollars (USD $10,000) or more or the equivalent in local currency or any foreign currency, whether in cash or in bearer negotiable instruments, shall make a truthful declaration, in writing, to the Customs Department of the Ministry of Finance ("Customs Department") at the relevant port of entry. The reporting obligation is not deemed fulfilled if the information provided is incorrect or incomplete;
   b. Fails to comply with sub-paragraph (a) of this paragraph shall be subject to sanctions set out in paragraphs 16 and 17 of this Article and other relevant laws.
2. A Customs official who suspects a violation of the obligation to declare under paragraph (a) of subsection (1) of this Article has the power to:
   a. Examine any article that a person has with him or her or in his or her luggage; and
   b. Search the person.
3. Persons searched per sub-paragraph (b) of paragraph (2) of this Article shall be searched by one or more Customs officials of the same gender.
4. To verify the implementation of, and enforce the reporting obligation set out in, sub-paragraph (a) of paragraph 1 of this Article, Customs officials may stop, board, and search any ship, aircraft, or other type of transportation vehicle in the territory under Customs Department control.
5. Where a Customs official has found cash or bearer negotiable instruments that were not declared or that were falsely declared pursuant to sub-paragraph (a) of paragraph 1 of this Article, the official shall further examine the case and has the power to request and obtain further information from the carrier with regard to the reasons and purpose for transporting the cash or bearer negotiable

instruments across state lines, their origin and intended use. The same powers apply in situations where the cash or bearer negotiable instruments were declared, but where the facts and circumstances would for other reasons require an interview and the collection of information.

6. Where cash or bearer negotiable instruments were not declared or were falsely declared, the Customs official shall afford evidence to the Customs Department and seize the cash or bearer negotiable instruments for a period not exceeding thirty (30) days from the moment that the natural person or the owner no longer has access to the cash or bearer negotiable instruments. After this period has expired, the cash or bearer negotiable instruments will be made available to the carrier or owner without prejudice to the possibility of further seizure by or at the request of competent judicial authorities.
7. In case of suspicion of money laundering, predicate offenses to money laundering or terrorism financing, the customs official has the power to stop the carrier and seize the cash or bearer negotiable instruments for a period of thirty (30) days, which can be extended by other competent authorities to ninety (90) days to determine whether a formal investigation into money laundering, associated predicate offenses or terrorism financing should be launched. After this extended period has expired, the cash or bearer negotiable instruments will be made available to the carrier or owner without prejudice to the possibility of further seizure by or at the request of competent judicial authorities.
8. Relevant law enforcement authorities shall issue regulations setting forth procedures for the further collection of evidence for the pursuit of criminal investigations.
9. a. The customs authority shall maintain relevant information relating to the cross-border transportation of cash and bearer negotiable instruments, in cases where:
    i. a declaration of an amount of Ten Thousand Dollars (USD 10,000) or more or the equivalent in local or any foreign currency is made; or
    ii. no declaration or a false declaration has been made; or
    iii. there is a suspicion of money laundering, associated predicate offenses or terrorism financing.

b. The information retained must include, at a minimum, the quantity of cash or bearer negotiable instruments, in USD, local currency or any foreign currency, declared or otherwise detected, as well as information allowing the identification of the carrier, or the parties concerned by unaccompanied transport. This information shall be included in a database which allows this information to be exchanged efficiently, quickly and securely with the Financial Reporting Center, other competent domestic authorities as well as competent foreign authorities.

10. Any cash or bearer negotiable instruments seized under paragraphs (6) and (7) of this Article shall be turned over to the office of the Attorney General, who shall handle the seized cash or bearer negotiable instruments as prescribed in regulations issued by the Minister of Finance pursuant to the Customs Act, 2020.
11. In case of suspicion of money laundering, associated predicate offenses or terrorism financing, or a failure to declare or a false declaration, the customs authority shall ensure that it transmits to the Financial Reporting Center all the information cited in sub-paragraph (b) of paragraph (9) of this article. This information will be communicated to the Financial Reporting Center as soon as possible and not later than within twenty-four (24) hours. The communication shall be made electronically to ensure the effective, rapid and secure exchange of information. The Financial Reporting Center shall, upon request, have access to all declarations of cash and bearer negotiable instruments within a period not exceeding fifteen (15) days.
12. The information collected by the customs authorities must also be made available to other competent authorities, including immigration authorities, tax authorities, criminal investigation and prosecution authorities, and any other relevant authorities upon their request. The communication of this information shall be made electronically to ensure the efficient, rapid, and secure exchange of information.
13. The information collected must be made available to foreign competent authorities, upon request, according to the international cooperation mechanisms in place. These exchanges shall, wherever possible, take place electronically to ensure the efficient, rapid, and secure exchange of information.

14. If two (2) years have passed since a determination by the relevant competent authorities that seized cash or bearer negotiable instruments are not connected to any crime or ongoing criminal investigation, and if such cash or bearer negotiable instruments have neither been confiscated by the state nor claimed by the rightful owner, the Attorney General may make an application to a competent court for the forfeiture of such cash or bearer negotiable instruments to the Federal Republic of Somalia. The rightful owner shall be notified before the court decision and shall be given an opportunity to object to the forfeiture by the state.
15. Competent authorities shall issue any further procedures necessary to implement the provisions of this article. Competent authorities shall also ensure that the information collected through the declaration system does not in any way limit trade payments relating to the exchange of goods or services between countries and the freedom of movement of capital.
16. Violation or attempted violation of the declaration obligation set out in paragraph (1) of this Article will be punished with a fine of not less than Five Hundred Dollars (USD $500) or up to 3% of the value of the undeclared cash or bearer negotiable instruments. In the event of recurrence of the violation within five years after an initial violation, the penalties will be doubled. Violations and attempted violations will be established by means of an official customs report.
17. Persons making a physical cross-border transportation of cash or bearer negotiable instruments that are related to money laundering, predicate offenses associated with money laundering or terrorism financing, are liable to sanctions provided for in Articles 2A, 3A and 3B, and the provisional measures in Part VII of this Act.

Art. 19: Wire transfers

1. Financial institutions, when undertaking wire transfers, shall:
   a. Obtain and maintain the name of the originator and, for wire transfers equal to or above One Thousand Dollars (USD $1,000) or the equivalent in any currency, identify and verify the identity of the originator;
   b. Obtain and maintain the account number of the originator, or, in the absence of an account number, a unique transaction reference number which permits the traceability of the

transaction;

c. Obtain and maintain the originator's address or, in the absence of an address, the originator's national identity number or his/her date and place of birth;
d. Obtain the beneficiary's name and account number, or, in the absence of an account number, a unique transaction reference number, which permits the traceability of the transaction; and
e. Include the information specified in sub-paragraphs (a) through (d) of this paragraph in the message or payment form accompanying the transfer.

2. With respect to wire transfers, and notwithstanding the requirements of paragraph (1) of this Article, a financial institution is not required to verify the identity of a customer with which it has an existing business relationship, provided that it is satisfied that it already knows and has verified the true identity of the customer, unless there is a suspicion of money laundering or terrorist financing or the financial institution has doubts about the veracity or adequacy of previously obtained customer identification data.
3. When a financial institution acts as an intermediary in a chain of wire transfers, it shall:
   a. Ensure that all originator and beneficiary information that accompanies a cross-border wire transfer is retained with it;
   b. Keep a record, for at least five (5) years, of all the information received from the ordering financial institution or another intermediary financial institution, where technical limitations prevent the required originator or beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer;
   c. Take reasonable measures, which are consistent with straight-through processing, to identify cross-border wire transfers that lack required originator information or required beneficiary information; and
   d. Formulate and maintain risk-based policies and procedures for determining both when to execute, reject, or suspend a wire transfer lacking required originator or beneficiary information and the appropriate follow-up action.

3A. When a financial institution acts as the beneficiary of a wire transfer, it shall:

a. Take reasonable measures, which may include post-event monitoring or, where feasible, real-time monitoring, to identify cross-border wire transfers that lack required originator information or required beneficiary information;
b. Verify the identity of the beneficiary, if the identity has not been previously verified, and maintain all records obtained as part of the identification process, as well as any related analysis undertaken, for at least five (5) years, for cross-border wire transfers equal to or above One Thousand Dollars (USD $1,000) or the equivalent in any currency; and
c. Formulate and maintain risk-based policies and procedures for determining both when to execute, reject, or suspend a wire transfer lacking required originator or beneficiary information and the appropriate follow-up action.

3B. Financial institutions that provide money or value transfer services ("money or value transfer services") shall comply with the relevant requirements of this Article in all the countries in which they operate, whether directly or through their agents.

3C. When a money or value transfer service controls both the ordering and beneficiary sides of a wire transfer, it shall:

a. Take into account all the information from both the ordering and beneficiary sides of the wire transfer in order to determine whether to prepare and submit a suspicious transaction report; and
b. Whenever submitting a suspicious transaction report, submit such a report in each and every country affected by the wire transfer that is the subject of the report, making relevant transaction information available to the Financial Reporting Center in all cases.

4. The Financial Reporting Center and/or the relevant competent monitoring and supervisory body may issue regulations to further the implementation of this Article.
5. Subsections (1) through (3C) of this Article shall not apply to:
    a. Transfers executed as a result of credit card or debit card transactions, provided that the credit card or debit card number accompanies the transfer resulting from the transaction; or
    b. Transfers between financial institutions acting for their own account.

6. Notwithstanding the provisions of sub-paragraph (d) of paragraph (3) and sub-paragraph (c) of paragraph (3A) of this Article, a financial institution acting as an intermediary or a beneficiary that receives a wire transfer that does not contain complete originator information shall:
   a. Take measures to obtain and verify the missing information from the ordering institution or the beneficiary, as applicable; and
   b. Refuse to execute the transfer, should it not obtain the missing information referred to in sub-paragraph (a) of this paragraph.

Art. 19A: Proliferation-Related Targeted Financial Sanctions

1. All persons and entities shall freeze the funds or other assets of persons and entities designated by United Nations (UN) bodies acting in accordance with UN Security Council (UNSC) resolutions (UNSCRs) related to the proliferation of weapons of mass destruction (WMD), as defined in regulations issued by the Minister of Finance pursuant to sub-paragraph (a) of paragraph (6) of this Article.
2. The freeze required under paragraph (1) of this Article shall be implemented:
   a. Within 24 hours of the designation of any person or entity by a UN body acting in accordance with UNSCRs related to the proliferation of WMD or immediately upon any requested or attempted transaction involving funds or other assets subject to a freeze, whichever may be the sooner.
   b. Without prior notice to designated persons or entities, representatives or associates of designated persons or entities, or other persons liable to warn designated persons or entities.
3. For the purposes of this Article and of the related Regulations, persons or entities shall be considered designated upon the issuance of a UN press release publicly announcing a decision by a UN body acting in accordance with UNSCRs related to the proliferation of WMD.
4. The funds or other assets of designated persons and entities include the following, which shall therefore be subject to the freezing measures specified in paragraph (1) of this Article:
   a. All funds or other assets that are owned or controlled by the designated person or entity and not just those that can be tied to a particular act, plot, or threat of proliferation.
   b. Those funds or other assets that are wholly or jointly owned or

controlled, directly or indirectly, by designated persons or entities.

c. The funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities.
d. The funds or other assets of persons and entities acting on behalf or at the direction of designated persons or entities.

5. Except as and when explicitly authorized by the Committee, all persons and entities are prohibited from making any funds or other assets, economic resources, or financial or other related services available, directly or indirectly, wholly or jointly:
   a. To or for the benefit of any of the persons or entities referenced in paragraph (1) of this Article;
   b. To or for the benefit of any persons or entities owned or controlled, directly or indirectly, by persons or entities referenced in paragraph (1) of this Article; or
   c. To or for the benefit of any persons or entities acting on behalf or at the direction of persons or entities referenced in paragraph (1) of this Article.
6. The implementation of this Article is overseen by the Committee, which shall be responsible, *inter alia*, for:
   a. Proposing regulations, to be approved by the Council of Ministers and issued by the Minister of Finance, to further the implementation of the provisions of this Article;
   b. Communicating designations, listing modifications, and delistings to reporting entities;
   c. Issuing guidelines to reporting entities on their obligations in implementing the provisions of this Article and of the related Regulations;
   d. Establishing targeted financial sanctions-related reporting requirements for reporting entities; and
   e. Authorizing and managing exemptions to the provisions of this Article and of the related Regulations.
7. In implementing the provisions of this Article and of the related Regulations, all persons and entities shall respect the rights of *bona fide* third parties acting in good faith.

PART IV: FINANCIAL REPORTING CENTER

Art. 20: Establishment

1. The Financial Reporting Center (hereinafter referred to as “the Center”) is hereby established and shall serve as the central, national agency responsible for receiving, requesting and analyzing

reports submitted under Articles 14 and 18 of this Act and other information relating to money laundering, associated predicate offences, and terrorist financing, and for appropriately disseminating the results of the analysis of such reports or information.

2. The Center shall be set up as an autonomous entity and shall be fully independent in the performance of its functions, meaning that it shall not be subject to the direction, instruction, or control of any other person, authority, or institution in the performance of its functions.
3. To be able to effectively carry out its functions, the Center shall be granted and shall deploy the necessary financial, human, and technical resources. To this end:
   a. The budget of the Center shall be drafted by its Director General and approved by the Committee.
   b. The budget approved by the Committee under sub-paragraph (a) of this paragraph shall be taken into account when determining the Annual Budget of the Federal Republic of Somalia, as determined by Parliament.
   c. The Center is also authorized to receive grants from other sources, including funding from international donor agencies, in accordance with the Public Finance Management Act.

Art. 20A: Director and staff

1. 1. The Centre shall be headed by a Director General who shall be the highest official of the Centre. The Director General shall be responsible for the leadership and administration of the Centre. The Director General shall determine the structure of the Centre as well as the number and types of staff positions in the Centre.
2. 2. The Centre shall have a Deputy Director General who shall be responsible for carrying out the tasks delegated to him by the Director General, in order to ensure the operational independence of the Centre. The Deputy Director General shall assume the duties of the Director General when the Director General is absent or unable to perform the duties of the office.
3. The Director General shall be appointed by the Board, upon the

recommendation of the Minister of Finance, while the Deputy Director General shall appoint the Director General. The appointed Director General shall hold office for a renewable term of five (5) years.

4. No person shall be appointed as Director General or Deputy Director General of the Center if he or she does not satisfy the following criteria:
    a. Has no criminal record;
    b. Is not disqualified from holding public office for any reason; and
    c. Has relevant academic and/or professional experience, as established by the profiles for these positions developed by the Committee.
5. The Director General and the Deputy Director General shall:
    a. undergo periodic criminal background and integrity checks to ensure that he or she continues to meet the criterion specified in sub-paragraph (a) of paragraph (5) of this article.
    b. not exercise a public mandate by election, nor hold any other remunerated posts, offices, or positions that could jeopardize the independence or dignity of the Center.
6. The Director General may not be removed from office during his term of office unless he is found guilty of a clearly established charge as set forth in paragraphs (b), (t) and (G) of this Article. The Director General may also be removed from office when the charges set forth in paragraphs (b), (t) and (G) of this Article are proven and two-thirds of the members of the Board vote in favor of the removal. The Director General or any senior official representing the Center on the Board shall not participate in such vote. Removal shall be based on one or more of the following grounds:

(b) It has been determined that one of the requirements set forth in paragraph 5 of this Article has not been met;

(t) The Director General or the Deputy Director General has been charged with or convicted of a criminal offense; or

(j) the Director General or Deputy Director General has become unfit or incapable of holding office for any reason whatsoever:

1. Serious misconduct; or

11. Irreversible physical or mental disability.

7. The Director General and Deputy Director General may not be removed from office under paragraph 7 of this Article until the Director General or Deputy Director General or their attorneys have been given an opportunity to be heard.
8. The staff of the Centre are Government employees, and the recruitment, management and management of the Centre's staff shall be based on the procedures established by the Centre in accordance with paragraph 1 of this Article.

Art. 21: Responsibilities, authority, and functions

In addition to carrying out all activities necessary to fulfill its core mandate, as specified in paragraph (1) of Article 20 of this Act, the Center shall:

1. Conduct operational analysis by using available and obtainable reports and other information to identify specific targets, to follow the trail of particular activities or transactions, and to determine links between those targets and possible proceeds of crime, money laundering, associated predicate offences, or terrorism financing.
2. Conduct strategic analysis by using available and obtainable reports and information to monitor, research, and identify money laundering and terrorism financing related trends, typologies, risks, patterns, and developments.
3. Disseminate information and the results of its operational analysis and strategic analysis described in subsections (1) and (2) of this Article to the relevant competent authorities, when there are reasonable grounds to suspect money laundering, associated predicate offenses, or terrorism financing.
4. Share analysis or information with national intelligence and law enforcement agencies, the competent monitoring and supervisory bodies, other competent authorities, and foreign financial intelligence units, upon request or of its own accord, to the extent that the information is necessary for the receiving authority to carry out its responsibilities and tasks, as stipulated in this Act.
   a. The Center may share information with national intelligence and

law enforcement agencies if the information relates to security issues or suspicions of criminal activity.

b. The Center may share information with foreign financial intelligence units, on the basis of confidentiality and reciprocity, without any requirement to have a specific Memorandum of Understanding (MOU) in place.
c. Notwithstanding sub-section (b) of this section, the Center has the power to autonomously and independently enter into MOUs whenever necessary or useful to facilitate information sharing with other domestic competent authorities, other domestic competent monitoring and supervisory bodies, or foreign financial intelligence units.

5. Establish and maintain a secured and confidential database to store and retrieve the reports and other information received pursuant to this Act, and disseminate analysis and information using dedicated, secure, and protected channels.

6. Provide guidelines and other information to competent authorities and reporting entities, on national money laundering and terrorist financing risks, money laundering and terrorist financing risk indicators, specific reporting obligations, and other matters to improve the effectiveness of the national anti-money laundering and combating the financing of terrorism regime.
7. Provide timely feedback to reporting entities on their reporting behavior as well as on the quality and usefulness of their reports, and note, where practicable, the follow-up that the Center has given to their reports.
8. Provide to the competent monitoring and supervisory bodies information on the reporting behavior of individual reporting entities as well as on the quality and usefulness of the reports submitted.
9. The Center shall: Represent the Federal Republic of Somalia in bilateral, regional, and global meetings, fora, and organizations that focus on combating money laundering and/or terrorist financing

Art. 21A: Special Powers

1. The Center may request all information and documentation that is to be collected and maintained by reporting entities.

a. Reporting entities shall provide, within the timeframe set by the Center, all information and documentation requested by the Center.
b. The provision of information and documentation requested by the Center per sub-section (a) of this section shall not constitute a violation of professional secrecy or of any other obligation related to data privacy or confidentiality.
c. Reporting entities shall comply with all instructions issued by the Center as to how requested information and documentation is to be provided and transmitted.

2. The Center may request from competent authorities any financial, administrative, or law enforcement information or documentation that it may require to carry out all activities necessary to fulfill its core mandate, as specified in paragraph (1) of Article 20 of this Act, as well as all activities necessary to fulfill the functions specified in Article 21 of this Act.
   a. Competent authorities shall provide, within the timeframe set by the Center, all information and documentation requested by the Center.
   b. The provision of information and documentation requested by the Center per sub-section (a) of this section shall not constitute a violation of professional secrecy or of any other obligation related to data privacy or confidentiality.
3. The Center may order a reporting entity to refrain from conducting any and all transactions of a specific type or on behalf of one or more specific customers for up to forty-eight (48) hours should it have reasonable grounds to believe, based on information in the public domain or provided by a reporting entity or domestic or foreign competent authority, that the transaction(s) could:
   a. Involve the proceeds of crime; or
   b. Further money laundering, predicate offenses, or terrorist financing.
4. The Center shall notify the Attorney General immediately upon issuing an order under paragraph (3) of this Article.

Art. 22: Confidentiality and professional standards

1. The Director General, Deputy Director(s) General, officers, employees, agents, or such other persons occupying posts in the Center shall have the necessary security clearance levels and be required to keep confidential any information obtained within the scope of their duties, even after the cessation of such

duties, except as provided for in this Act.

a. The Director General, Deputy Director(s) General, officers, employees, agents, or such other persons occupying posts in the Center who unlawfully disclose information obtained within the scope of their duties shall be liable pursuant to the provisions of the Penal Code and the Civil Servants Act.
b. The Director General, Deputy Director(s) General, officers, employees, agents, or such other persons occupying posts in the Center shall be trained to ensure that they understand their responsibilities in handling and disseminating sensitive and confidential information.

2. Information obtained through the work of the Center shall not be used for any purposes other than those provided for by this Act and shall only be disclosed or shared with appropriate authorities on a need-to-know basis for the purpose of detecting and preventing money laundering, terrorist financing, and related predicate offences.
3. The Center shall adopt internal operating handbooks and procedures, including a Code of Ethics, to ensure high standards of ethics, integrity, and professionalism and to prevent and mitigate conflicts of interest and corruption.

PART IV (A): SUPERVISION

Art. 22A: Prohibition on shell banks

It is prohibited to create or continue to operate shell banks in the Federal Republic of Somalia.

Art. 23: Supervision of reporting entities for compliance with the Act

1) Responsibility for the monitoring and supervision of compliance by reporting entities with the requirements of this Act is vested in the competent monitoring and supervisory bodies designated in regulations issued by the Minister of Finance pursuant to Article 52 of this Act.

2) Each competent monitoring and supervisory body shall exercise supervision in a risk-based manner. The focus, frequency, and intensity of supervision shall be determined on the basis of:

   a. The ML/TF risks and the policies, internal controls, and procedures associated with each reporting entity, as identified by the competent monitoring and supervisory body's assessment of the reporting entity's ML/TF risk factors;
   b. The ML/TF risks present in the relevant sector and in the Federal Republic of Somalia; and
   c. The characteristics of the reporting entities in the relevant sector, in particular the diversity and number of reporting entities and the degree of discretion allowed to them under the risk-based approach.

Art. 23A: Functions of supervisors

Competent monitoring and supervisory bodies shall:

1) Issue regulations to the reporting entities subject to their monitoring and supervision, to further the purposes of this Act;

2) monitor, supervise, and verify compliance by reporting entities with the requirements of this Act, relevant regulations issued pursuant to this Act, and any other Act or relevant regulations in the field of AML/CFT;

3) take appropriate measures with respect to reporting entities for violation of the requirements of this Act, relevant regulations issued pursuant to this Act, and any other Act or relevant regulations in the field of AML/CFT, in the manner prescribed by this Act, by relevant regulations issued pursuant to this Act, and any other Act or relevant regulations in the field of AML/CFT;

4) cooperate and exchange information with other competent monitoring and supervisory bodies, other domestic authorities, and foreign authorities, including foreign counterparts;

5) issue guidelines and provide feedback to assist reporting entities in the application of this Act, relevant regulations issued pursuant to this Act, and any other Act or relevant regulations in the field of AML/CFT,

including with respect to understanding their ML/TF risks and to the detection and reporting of suspicious transactions; and

6) on their own initiative and as soon as possible, inform the Center of violations of requirements for reporting suspicious and other transactions, in accordance with Article 14 of this Act, which have been identified during the monitoring and supervision of reporting entities.

Art. 23B: Powers of supervisors

1) In order to carry out the functions specified in Article 23A of this Act, the competent monitoring and supervisory bodies, without prejudice to the authorities conferred by other Acts and only to the extent reasonably necessary to carry out those functions, are entitled to:
   a. obtain any information or documentation requested of the reporting entities under their monitoring and supervision, within a prescribed timeframe;
   b. obtain full access to any data of the reporting entities under their monitoring and supervision that may be relevant to carrying out the aforementioned functions, such as books, records, documents, and other media in any form, including electronic or digital, and including those data that are in the possession or under the control of any manager, director, supervisory director, external auditor, or employee of said reporting entities or under the control of any third party. The granting of access for inspection also includes the copying of data; and
   c. obtain full access to any information technology (IT) or manual systems that are or have been in use by the reporting entities under their monitoring and supervision for the purpose of compliance with the requirements of this Act, relevant regulations issued pursuant to this Act, and any other Act or relevant regulations in the field of AML/CFT.
2) The competent monitoring and supervisory bodies are authorized to obtain information and conduct inspections at the premises of any reporting entities under their monitoring and supervision, with or without prior notice and as often as they deem it necessary.

3) In order for the competent monitoring and supervisory bodies to carry out the functions listed in Article 23A of this Act, each reporting entity is obliged to cooperate in good faith with its competent monitoring and

supervisory body.

4) The competent monitoring and supervisory bodies may issue directives to any reporting entities that do not comply with their obligations under this Act, relevant regulations issued pursuant to this Act, or any other Act or related regulations in the field of AML/CFT so as to require those reporting entities to take a certain course of action with regard to points indicated in the directive within a reasonable period set by the relevant competent monitoring and supervisory body. Such a directive may be issued to a reporting entity, its officers/senior manager(s) and/or director(s).
5) The competent monitoring and supervisory bodies may impose monetary administrative penalties (“administrative penalties”) on reporting entities that do not fulfill their obligations under this Act or relevant regulations issued pursuant to this Act, that do not fulfil their obligations under any other Act or relevant regulations in the field of AML/CFT, that do not fulfill the obligations specified in directives issued under paragraph (4) of this Article, or that do so in other than a timely manner.
6) The competent monitoring and supervisory bodies may take one or more of the following measures, in addition or as an alternative to the measures specified in paragraphs (4)-(5) of this Article, in respect of reporting entities that do not fulfill their obligations under this Act or relevant regulations issued pursuant to this Act, that do not fulfil their obligations under any other Act or relevant regulations in the field of AML/CFT, that do not fulfill the obligations specified in directives issued under paragraph (4) of this Article, or that do so in other than a timely manner:

   a. Issue a written warning.
   b. Require the submission of reports.
   c. Require access to the reporting entity’s facilities and systems as well as the monitoring of the reporting entity’s operations on the part of one or more natural persons (“monitors”) appointed by the competent monitoring and supervisory body, at the reporting entity’s expense.
   d. Order the removal of one or more of the reporting entity’s officers/senior managers or directors.
   e. Restrict the reporting entity’s license/business operations, including by restricting the products it may offer; the type, volume, or value of the transactions it may conduct; the type or

number of customers it may serve; or the regions or countries in which it may operate or conduct or facilitate transactions.

f. Suspend the reporting entity's license or, if the competent monitoring and supervisory body is not the licensing authority, refer the reporting entity for license suspension.
g. Revoke the reporting entity's license or, if the competent monitoring and supervisory body is not the licensing authority, refer the reporting entity for license revocation.
h. Refer the reporting entity to the Office of the Attorney General for criminal prosecution.

PART IV (B): TRANSPARENCY OF LEGAL PERSONS AND LEGAL ARRANGEMENTS

Article 23C: Transparency of legal persons

1. All legal persons created and operating in Somalia shall:
   a. obtain and record the following minimum basic information at the time of incorporation or registration with the Company Registry, when filing annual returns and when changes in basic information occur:
      i. company name;
      ii. proof of incorporation;
      iii. legal form and status;
      iv. address of the registered office;
      v. basic regulating powers;
      vi. list of directors;
      vii. Tax identification number;
      viii. register of shareholders or members, containing the names of the shareholders and members, the number of shares held by each shareholder and the categories of shares with an indication of the nature of the associated voting rights;
   b. keep the basic information accurate and up-to-date and inform the Company Registry of any modification to or update of this information as soon as reasonably practicable and within one (1) month from the date the change occurred. All filings must be made in electronic format;
   c. maintain the information set out in paragraph a of this section. within the country, at the legal person's registered office or at

a location notified to Company Registry. A legal person may decide to maintain the register of shareholders outside the country only if the following two conditions are met:

  i. Beneficial ownership information is held within the country according to paragraph 2 of this Article; and
  ii. The legal person shall provide this information promptly upon request;

d. obtain accurate, adequate and up-to-date information on their beneficial owners, and hold this information in a register of beneficial owners at the legal person's registered office or at a location in Somalia notified to the Company Registry keep the beneficial ownership information accurate and up-to-date;

e. file adequate, accurate and up-to-date beneficial ownership information with the Company Registry, in the format prescribed by the Registry, at the time of incorporation or registration, when filing annual returns and when changes in beneficial ownership information occur. Changes in beneficial ownership information shall be filed with the Company Registry as soon as reasonably practicable, and within one (1) month from the date the change occurred. All filings shall take place in electronic format;

f. fully cooperate with competent authorities possible in determining the beneficial owner(s) through ensuring:

  i. that one or more natural persons resident in the country is authorised by the legal person, and accountable to competent authorities, for providing all basic information and available beneficial ownership information, and giving further assistance to the authorities; or

  ii. that any DNFBPs in Somalia is authorised by the legal person, and accountable to competent authorities, for providing all basic information and available beneficial ownership information, and giving further assistance to the authorities;

g. upon request, make adequate, accurate and up-to-date beneficial ownership information available to competent authorities in a timely manner and within the timeframe and the format set out in their request;

h. provide adequate, accurate and up-to-date beneficial ownership information when establishing business relationships or executing occasional transactions with obliged entities and notify these entities about any changes to the beneficial ownership information with an indication of when the change occurred within one month from the date the legal person became aware of the change; and

i. shall be liable to an administrative penalty of not less than Five Hundred Dollars (USD $500) and up to Fifteen Thousand Dollars (USD $15,000) if they fail to comply with the requirements of sub-paragraphs (a) to (h) of paragraph 1 of this Article.

2. The Company Registry shall ensure that the basic information set out in paragraph 1(a)(i) to (vi) is publicly available.

3. The Company Registry shall:

   a. collect and maintain accurate, adequate and up-to-date information on the beneficial owners and control structures of all legal persons created or operating in Somalia and ensure that this information is included in the register of beneficial owners;
   b. establish a dedicated database to maintain the registry established according to this subsection. It shall put in place rules and procedures governing the security and confidentiality of information, including procedures for handling, storage, and protection of, and access to, the information kept in the database;
   c. periodically review and verify the beneficial ownership information contained in the database with beneficial ownership information maintained according to paragraph b of this subsection and take required measures to ensure that the information in the registry is accurate and up-to-date;
   d. ensure that the Financial Reporting Center, designated monitoring and supervisory bodies, law enforcement and judicial authorities, and other relevant competent authorities have direct access to the database with beneficial ownership information; and

   e. ensure that obliged entities have timely access to the beneficial ownership information.

4. Shareholders and directors acting on behalf of another person (nominees) shall:
    a. be licensed as a trust and company service provider (cf. sub-paragraph (b) of paragraph (2) of Article 4) and their nominee status shall be recorded in the Company Registry;
    b. disclose their status to the reporting entities set out in article 4 of this Act;
    c. keep information identifying the person who designated them (the nominator) and make such information available to the competent authorities on request; and
    d. A nominee who fails to comply with sub-paragraphs (a) to (c) of this paragraph shall be liable to an administrative penalty of not less than Five Hundred Dollars (USD $500) and up to Fifteen Thousand Dollars (USD 15,000).
5. The information referred to in paragraphs (1), (2) and (3) of this Article must be kept by the Company Registry, reporting entities referred to in Article 4 of this Act, the legal persons themselves or their directors, liquidators or other persons involved in their dissolution for ten years after the date on which the company is dissolved or ceases to exist, or for five (5) years after the date on which the legal entity ceases to exist be a client of a reporting entity.

6. It is prohibited to create or honor bearer shares in the Federal Republic of Somalia.

Article 23D: Transparency of legal arrangements

1. Trustees and persons holding equivalent positions in all trusts and/or legal arrangements created, administrated and/or operating in Somalia shall:
    a. obtain and hold adequate, accurate, and current information on the identity of:
        i. the settlor,
        ii. the trustee(s),
        iii. the protector (where applicable),
        iv. the beneficiaries or class of beneficiaries, and
        v. any other natural person exercising ultimate effective control over the trust;

b. obtain and hold adequate, accurate, and current basic and beneficial ownership information for the legal persons or arrangements who are parties to the legal arrangement and/or trust;
c. hold basic information on other regulated agents of, and service providers to, the trust, including investment advisors or managers, accountants, and tax advisors;
d. keep the information set out in subparagraphs (a) and (b) of paragraph 1 of this Article accurate and as up-to-date as possible, and update this information within one (1) month of any change;
e. in the case of a professional trustee, the information set out in subparagraphs (a) and (b) of paragraph 1 of this Article shall be held for at least ten (10) years after their involvement with the trust ceases;
f. disclose their status when establishing business relationships or executing occasional transactions with reporting entities;
g. provide the Company Registry with precise information on the beneficial owners of the trust or other type of legal arrangement when they become the trustee or person occupying a similar position in another type of legal arrangement and when changes in the beneficial ownership information occur;
h. inform the Company Registry of any modification of or update to this information as soon as reasonably possible, and in all cases within one (1) month;
i. cooperate fully with competent authorities, including making any information relating to the trust or similar legal arrangement available to competent authorities;
j. upon request, make information on the beneficial ownership and the assets of the trust to be held or managed under the terms of the business relationship available to reporting entities; and
k. shall be liable to an administrative penalty of not less than Five Hundred Dollars (USD $500) and up to Fifteen Thousand Dollars (USD $15,000) if they fail to comply with the requirements of sub-paragraphs (a) to (j) of this paragraph.

2. The Company Registry is the designated authority to collect information on the beneficial owners of trusts and similar legal arrangements. Beneficial ownership information collected and held by the Company Registry shall be accurate, adequate and up-to-date.

3. The Company Registry shall ensure that the Financial Reporting Center, competent monitoring and supervisory bodies, law enforcement and judicial authorities, and other relevant competent authorities will have direct access to the information held by the Company Registry pursuant to this Article.

Article 23E: International cooperation regarding legal persons and legal arrangements

1. The Company Registry shall ensure other Somali competent authorities' access to basic and beneficial ownership information in response to all international requests for such information, and such access shall be in accordance with relevant laws governing international cooperation.

2. The competent authorities shall:
    a. Ensure that mechanisms are in place for the secure and swift transmission of beneficial ownership information and execution of the requests referred to in paragraph (1) of this Article, in compliance with other relevant acts and associated regulations.
    b. ensure international cooperation with their foreign counterparts on matters related to transparency of legal persons based on cooperation agreements, international treaties, or the principles of reciprocity and confidentiality;
    c. not place unreasonable or unduly restrictive conditions on the exchange of basic and beneficial ownership information or the provision of assistance related to transparency of legal persons;
    d. share information with foreign counterparts, regardless of their nature or status (i.e., civil, administrative, law enforcement, judicial, or other); or whether the request is also considered to involve fiscal matters; or whether an inquiry, investigation or proceeding is underway;
    e. not invoke bank secrecy or any other legally protected secrets as a basis to refuse information exchange and/or provision of assistance, except for lawyers, notaries, and other independent legal professionals and accountants if they obtained the relevant information in circumstances where they are subject to professional secrecy or legal professional privilege, including in the course of ascertaining the legal

position of their client or in performing their task of defending or representing that client in, or concerning judicial, administrative arbitration or mediation proceedings

f. facilitate access to basic information contained in the company registry and exchange information on shareholders;
g. use their powers, in accordance with domestic law, to obtain beneficial ownership information on behalf of their foreign counterparts; and
h. monitor the quality of assistance they receive from other countries in response to requests for basic and beneficial ownership information or requests for assistance in locating beneficial owners residing abroad.

Article 23 Oct: Obligations of legal persons, foreign express trusts and other types of legal arrangements participating in public procurement processes

1. All legal persons, trusts, and similar legal arrangements participating in public procurement processes in the Federal Republic of Somalia shall provide, at the time of submission of their bid, the relevant public procurement authorities with accurate, adequate, and updated beneficial ownership information. Bids not accompanied by information on the ultimate beneficial owner of the bidding company shall be disqualified from the procurement process.

2. Upon the award of any public procurement contract, the procuring authority shall publish the name of the natural or legal person to whom the contract was awarded.

3. Upon request, the beneficial ownership information for any legal person, trust, or similar legal arrangements to whom a public procurement contract is awarded shall be provided by the procuring authority to registered non-governmental, media, and academic organizations, for the purpose of detecting possible corruption and corruption-related offenses.

4. The procuring authority determines the conditions of use of the beneficial ownership information provided per paragraph (3) of this Article.

PART V: NATIONAL ANTI-MONEY LAUNDERING

AND COUNTERING THE FINANCING OF TERRORISM COMMITTEE

Art. 24: Establishment

A National Anti-Money Laundering and Countering the Financing of Terrorism Committee ("the Committee") is hereby established.

Art. 25: Functions

The Committee's functions and responsibilities are to:

1. Promote and facilitate information exchange, coordination, and co-operation between member institutions at both policymaking and operational levels for preventing and combating money laundering, predicate offences, terrorism financing, and, where relevant, the financing of the proliferation of weapons of mass destruction.
2. Support and coordinate the building of competent authorities' capacity to combat money laundering, terrorist financing and, where relevant, the financing of proliferation of weapons of mass destruction.
3. Coordinate the National Risk Assessment of money laundering and terrorism financing and promote its periodic review and updating, and disseminate the results of this assessment to the competent authorities and reporting entities.
4. Develop national policies and an overarching strategy to combat money laundering, terrorism financing, and, where relevant, the financing of proliferation of weapons of mass destruction taking into account the money laundering and terrorism financing risks identified, and evaluate and review these risks on a regular basis;
5. Assess the national anti-money laundering and combatting the financing of terrorism regime in order to develop and coordinate the implementation of a national anti-money laundering and combating the financing of terrorism strategy.
6. Facilitate cooperation and coordination between competent authorities, reporting entities, and self-regulatory bodies regarding the development and implementation of policies and activities to combat money laundering, terrorism financing and, where relevant, financing of proliferation of weapons of mass destruction.

7. Coordinate the mutual evaluation of the regime for combating money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction of the Federal Republic of Somalia.
8. Raise awareness of and issue opinions regarding the risks emanating from weaknesses in order countries' anti-money laundering and combating the financing of terrorism frameworks for the application of enhanced due diligence measures as well as countermeasures at the request of the Financial Action Task Force or independently from a call of the Financial Action Task Force.
9. Facilitate cooperation and coordination between relevant competent authorities to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules and other similar provisions (e.g., data security/localization).
10. Coordinate the collection and consolidation of statistics to be kept by competent authorities, as required by Articles 26A to 26D.
11. Oversee the implementation of targeted financial sanctions per paragraph (6) of Article 19A of this Act.

Art. 26: Members and Sessions of the Committee

1. The Committee shall consist of the following eleven (11) members or their designated representatives:

(a) The Minister of Finance who shall be the Chairperson of the Committee;
(b) The Minister of Justice;
(c) The Attorney General;
(d) The Minister of Trade and Industry;
(e) The Minister of Internal Security;
(f) The Ministry of National Communications and Technology
(g) The Governor of the Central Bank of Somalia;
(h) The Director of the National Intelligence and Security Agency;
(i) The Director General of the Financial Reporting Center who shall be the Secretary of the Committee;

(j) The Commander of the Somali Police Force; and
(k) The National Communications Authority.

2. Whenever necessary, in order to fulfill the duties and responsibilities of the Board as set forth in Article 25 of this Law, the Chairman may

invite to the meetings of the Board, other organizations and representatives of the private sector, to participate in the Board meeting, whose role shall be as observers without voting rights.

3. Upon the convening of the Chairman, the Board shall hold at least four (4) regular meetings per year or whenever necessary, or when at least five members request a meeting in writing.

4. The quorum of the Board meetings shall be valid if at least five members are present.

5. Unless otherwise provided in another article of this Law, the decisions of the Board shall be valid by a simple majority vote.

PART V (A): STATISTICS

Art. 26A: General provisions

1. In order to contribute to the development of the national risk assessment and to be able to assess the effectiveness and efficiency of the system for combating money laundering and countering the financing of terrorism, all competent authorities shall ensure that they maintain comprehensive statistics, which shall include:

2. Data measuring the size and importance of the various sectors subject to this Act, in particular the number of financial institutions, DNFBPs, and **virtual** asset service providers, as well as the economic importance of each sector; and
   a. Data measuring the reporting and investigation phases and the judicial phases of the national system for combating money laundering and the financing of terrorism.
   b. All statistics should be finalized on December 31 of each year and communicated to the Committee before January 31 of the following year, or at any other time upon the Committee's request.
3. The Committee shall designate the competent authority who is in charge of the practical collation of statistics from all competent authorities.

Art. 26B: Statistics to be kept by the Financial Reporting Center

1. The Financial Reporting Center shall prepare and update statistics

on:

   a. The number of suspicious transaction and other reports received, the follow-up given to these reports, including the number of disseminations.
   b. The number and percentage of disseminations that triggered or contributed to investigations, if any.
   c. In respect of outgoing requests for exchange of information to its foreign counterpart FIUs, the number of requests:
      i. Made;
      ii. Pending;
      iii. Refused;
      iv. Granted (either partial or complete responses); and
      v. The time to obtain a response on the merits of a request.
   a. In respect of incoming requests for exchange of information by foreign counterpart FIUs, the number of requests:
      i. Received;
      ii. Pending;
      iii. Refused;
      iv. Granted (either a partial or complete response); and
      v. The time to provide a response on the merits of a request.
   b. The number of instances that it has spontaneously provided information to foreign counterparts.
2. The Center shall prepare an annual report to inform reporting entities and provide them with details on the quantity, quality and usefulness and follow-up of their STRs.

Art. 26C: Statistics to be kept by designated competent monitoring and supervisory authorities

1. Designated competent monitoring and supervisory authorities shall maintain statistics on:
   a. the frequency, scope and nature of monitoring and inspections (on-site and off-site);
   b. the nature of breaches identified; sanctions and other corrective measures applied and cases examples where sanctions and other corrective measures have improved AML/CFT compliance;
   c. the types and number of cooperation agreements with other countries (including bilateral and multilateral memoranda of understanding, treaties, cooperation based on reciprocity, or other cooperation mechanisms);
   d. In respect of outgoing requests for information exchange with

its foreign counterpart supervisors, the number of requests:
   i. Made;
   ii. Pending;
   iii. Refused;
   iv. Granted (either partial or complete responses); and
   v. The time to obtain a response on the merits of a request.
e. In respect of incoming requests for exchange of information from foreign counterpart competent monitoring or supervisory authorities, the number of requests:
   i. Received;
   ii. Pending;
   iii. Refused;
   iv. Granted (either a partial or complete response); and
   v. The time to provide a response on the merits of a request.
f. The number of instances that it has spontaneously provided information to foreign counterparts.

Art. 26D: Statistics to be kept by law enforcement authorities and the Ministry of Justice

1. Relevant law enforcement authorities shall maintain statistics on:
   a. Money laundering activities and offenses, including the:
      i. Number of investigations, prosecutions, and convictions for money laundering activities and offenses;
      ii. Length of custodial sentences imposed for money laundering convictions;
      iii. Value of fines imposed for money laundering convictions;
      iv. Number of sanctions imposed for money laundering offenses;
      v. Value of funds laundered, proceeds of crime, instrumentalities or funds of equivalent value confiscated;
      vi. Value of criminal assets seized or frozen;
      vii. Amount of proceeds of crime restituted to victims, shared, or repatriated; and
      viii. Where possible, statistics on money laundering offenses and activities shall include the types of predicate offenses involved, and distinguish between third-party money laundering, stand-alone money laundering, and money laundering related to foreign

predicate offenses.

b. Terrorist financing offenses and activities, and the implementation of targeted financial sanctions for terrorist financing, including the:
   i. Number of terrorist financing investigations, prosecutions, and convictions;
   ii. Length of custodial sentences imposed for terrorist financing convictions;
   iii. Value of fines imposed for terrorist financing convictions;
   iv. Number of designated persons or entities or accounts subject to targeted financial sanctions;
   v. Number of designations made by the National Anti-Money Laundering and Countering the Financing of Terrorism Committee;
   vi. Value of assets frozen pursuant to targeted financial sanctions;
   vii. Number of cases where terrorists, terrorist organizations or persons committing the terrorist financing offense have had their assets seized or confiscated;
   viii. Value of assets seized or confiscated from terrorists, terrorist organizations or persons committing the terrorist financing offense;
   ix. Number of investigations into terrorists misusing non-profit organizations;

PART VI: PENALTIES

Art. 27: Nature and applicability of penalties

1. In all cases, the measures and/or penalties applied by the competent monitoring and supervisory bodies in respect of reporting entities that do not fulfill their obligations under this Act or relevant regulations issued pursuant to this Act, that do not fulfil their obligations under any other Act or relevant regulations in the field of AML/CFT, that do not fulfill the obligations specified in directives issued under paragraph (4) of Article 23B of this Act, or that do so in other than a timely manner shall be effective, proportionate, and dissuasive in view of the objective factual circumstances.
2. The liability of a reporting entity who is a legal person does not

exclude the personal administrative, civil or criminal liability of any natural person officer/senior manager, director or employees of that reporting entity.

Art. 28: Penalties applicable to reporting entities

1. Reporting entities that do not fulfill their obligations under this Act or relevant regulations issued pursuant to this Act, that do not fulfil their obligations under any other Act or relevant regulations in the field of AML/CFT, that do not fulfill the obligations specified in directives issued under paragraph (4) of Article 23B of this Act, or that do so in other than a timely manner shall be liable to the measures specified in paragraphs (5)-(6) of Article 23B of this Act.
2. The administrative penalties provided for in paragraph (5) of Article 23B of this Act shall not be less than Five Hundred Dollars (USD $500) and shall not exceed Five Million Dollars (USD $5,000,000).

Art. 29: Appeal

Reporting entities shall have the right to appeal the measures levied against them per paragraph (1) of Article 28 of this Act to the relevant competent monitoring and supervisory body and, upon rejection, to challenge such measures before the Supreme Court.

PART VII: PROVISIONAL MEASURES, CONFISCATION AND CIVIL FORFEITURE

Art. 30: Scope

1. This part shall apply to money laundering, associated predicate offenses, and terrorism financing offenses.
2. This Part shall apply even if the conduct which forms the basis for the offence, occurred before this Part came into effect, and shall apply to any funds or benefit obtained before or after this Part came into force.
3. Applications under this part shall be made before the regional Courts.
4. Law enforcement authorities shall use their powers to:

a. identify, trace and evaluate funds that are subject to confiscation;
b. take steps that will prevent or void actions that prejudice the ability to restrain, seize, or recover funds that is subject to confiscation; and
c. take any appropriate investigative measures.

Art. 31: Restraint Orders

1. Upon application of the Attorney General, the court shall make a restraint order to prevent dissipation where:
   a. the funds could be the subject of an application for a confiscation order under Article 34; or
   b. the funds could be the subject of an application for civil forfeiture order under Article 35A.

2. The court may order any one or more of the following:
   a. that the funds, or such part of the funds as specified in the order, are not to be disposed of, or otherwise dealt with, by any person, except in such manner and in such circumstances (if any) as are specified in the order;
   b. that the funds, or such part of the funds as is specified in the order, shall be seized, taken into possession, delivered up for safekeeping or otherwise secured by a named authorised officer, the enforcement authority or such other person appointed for this purpose by the court; or
   c. if the court is satisfied that the circumstances so require, direct a named receiver to take custody and control of the funds, or such part of the funds as is specified in the order and to manage or otherwise deal with the whole or any part of the funds in accordance with any direction from the court.
   d. Where a person has been appointed under sub-paragraph (c) of paragraph (2) of this Article in relation to funds, he may do anything that is reasonably necessary to preserve the funds and its value.

3. The court may specify that a restraint order covers funds that are acquired by the relevant person after the court makes the order.
4. A restraint order shall be made whether or not there is any evidence of risk of the funds being disposed of, or otherwise dealt with, in such a manner as would defeat the operation of this Act.

Art. 32: Procedure to acquire a Restraint Order

1. Where a person is the subject of an investigation for an offence, or has been charged with an offence, or has been convicted of an offence, and there are reasonable grounds to suspect that the person has benefitted from an offence or is in the possession of funds that are proceeds of or an instrumentality of an offence, the Attorney General may apply to the court for a restraint order to secure the funds for the purposes of an application of a confiscation or civil forfeiture order in respect of the following:
   a. Instrumentalities;
   b. Proceeds of the offence;
   c. Benefit derived; and/or
   d. Funds of corresponding value to the proceeds or benefit, , including any funds over which the person has effective control and any funds or its value gifted by the person to another person within a period of five years before the application is made.

2. Upon application by the Attorney General, an application for an order under this Article shall be heard by the court *ex parte* and *in camera*, unless to do so would clearly not be in the interests of justice.
3. An application for a restraint order shall be in writing and shall be supported by an affidavit of a law enforcement official indicating what the official suspects and the grounds for his or her suspicion, that the funds fall under sub-paragraphs (a) to (d) of paragraph (1) of this Article.
4. Where an application under sub-paragraph (1) of this Article is made prior to the conviction of a person for an offence, the affidavit shall state the official’s grounds for believing that the relevant person committed the offence(s), and is the subject of an investigation for

the offence(s), including the necessary documentation on which the suspicion is based.

5. If funds, which are the subject of an application for a restraint order, are in the possession of a third party, the affidavit shall indicate that the Attorney General suspects, the grounds for his suspicion, and that the funds that are the subject of the application for a restraint order are funds over which the relevant person has effective control and any funds or its value gifted by the relevant person to third party within a period of five years before the application is made.

6. Where a restraint order is made, the Attorney General shall give notice of the order to persons affected by the order, within twenty-one (21) days of the making of the order, or within the period directed by the court.

7. The court may, on application of the relevant person, allow any one or more of the following to be met out of funds, or a specified part of the funds, covered by a restraint order:
   a. the reasonable living expenses of the person (and of their dependents) whose funds are restrained;
   b. the reasonable business expenses of that person;
   c. a specified debt incurred in good faith by that person.

Art. 33: Asset Management during the period of Seizure

1. It is the responsibility of the Attorney General to manage any seized funds in such a way that it is not losing value before it can be subject to confiscation.
2. The Attorney General may establish an Asset Management Office

(AMO) or unit under the Attorney General's office. The AMO should have a Manager holding the daily responsibility of the AMO, including taking decisions, as appropriate, under the guidelines of the Attorney General that a private enterprise appointed by the Manager should carry out some of the management tasks.

3. The Asset Manager may dispose of the seized funds in any way that is reasonably necessary to preserve the funds and its value, including but not limited to:
   a. Becoming a party to any civil proceedings that affect the funds;
   b. Ensuring that all obligations in respect of the funds are satisfied;
   c. Realizing or otherwise dealing with the funds if it is perishable, subject to wasting or other forms of loss, its value is volatile, or the cost of its storage or maintenance is likely to exceed its value. Such a realization requires a prior approval of the court, unless:
      I. Persons having an interest in the funds consent to the realization or other dealing with the funds; or
      II. The delay involved in obtaining such approval is likely to result in a significant diminution in the value of the funds; or
      III. The cost of obtaining such approval would be disproportionate to the value of the funds concerned.
   d. If the funds consists, wholly or partly, of a business:
      I. Employing, or terminating the employment of, persons in the business;
      II. Doing anything that is necessary or convenient for carrying on the business on a sound and lawful commercial basis;
      III. Selling, liquidating, or winding up the business, subject to obtaining the prior approval of the court; and
      IV. If the funds includes shares in a company, exercising rights attaching to the shares as if he or she was the registered holder of the shares.

Art. 34: Conditions for Confiscation

1. Following the conviction of an offence, the following shall be confiscated:
   a. Instrumentalities;
   b. Proceeds of the offence;

c. Benefit derived; and/or
d. Funds of corresponding value to the proceeds or benefit.

2. Where the court makes an order under this section in respect of funds other than money, the court shall specify the monetary amount that it considers to be the value of the funds at the time of its order.
3. The confiscated funds are forfeited to the Federal Republic of Somalia, unless victims of the offence can be identified. If victims can be identified, the court can decide to compensate the victims by use of the confiscated funds.

Art. 35: Procedure to acquire a Confiscation Order

1. To acquire a confiscation order from the court, cf. Article 34, the Attorney General shall issue an application to the courts specifying whether the funds in question are an instrumentality, proceeds or benefits of an offence, or funds of correpsonding value to the proceeds and or benefit , s.
2. Except with the leave of the court, the Attorney General shall make the application under subsection (1) within one (1) year of the date upon which a person was convicted of the offence.
3. The Attorney General may amend an application for a confiscation order at any time prior to the final determination of the application by the court, provided that a reasonable notice of the amendment is given to affected persons.
4. Where an application under this section has been finally determined, the Attorney General may not make a further application for a confiscation order in respect of the same offence without leave of the court. The court shall not give such leave unless it is satisfied that:
   a. The funds or benefit to which the new application relates was identified after determination of the previous application;
   b. Necessary evidence became available after the previous application was determined; or
   c. It is in the interests of justice to do so.
5. A further application under this section may not be made later than six (6) years after the date of the final determination of the

application under this section.

6. For the purposes of this section, a person shall also be treated as convicted of an offence if:
   a. Found not guilty by reason of insanity following a determination that the criminal acts were committed;
   b. The court takes the offence into consideration with the consent of the convicted person when passing sentence; or
   c. The relevant person died or disappeared before the conviction, but the court determined that the criminal acts were committed.

Art. 35A: Civil forfeiture orders (Non-conviction based forfeiture orders)

1. On application by the Attorney General, the competent court shall grant a civil forfeiture for funds where it finds that such funds are the proceeds or instrumentalities of an offense and/or terrorist funds based on a balance of probabilities, whether or not the identity of the person who committed the offense is known.
2. To satisfy the court that funds are the proceeds of an offense, it is not necessary to establish that the funds were derived, directly or indirectly, in whole or in part, from a particular criminal offense, or that any person has been charged in relation to such an offense, or that the identity of the person who committed the offense is known, only that they are proceeds from a criminal offense or offenses.
3. Funds may be found to be proceeds under paragraph (1) of this Article even if a person was acquitted of any offense(s), charges were withdrawn before a verdict was returned, or the proceedings were stayed.
4. An application for civil forfeiture may be made in respect of funds into which the original proceeds of an offense, instrumentalities, and/or terrorist funds have been converted, by sale or otherwise.
5. Orders for civil forfeiture can be sought in respect of funds whenever obtained.
6. Orders for civil forfeiture may be granted with respect to funds acquired or used before this Act came into force.
7. An order for civil forfeiture may be sought where a person now deceased committed the conduct on which the application for forfeiture is based.

8. In implementing the provisions of this Article, the rights of *bona fide* third parties acting in good faith shall be respected.

PART VIII: INTERNATIONAL COOPERATION: MUTUAL LEGAL ASSISTANCE AND EXTRADITION

Art. 36: General provisions

1. Competent authorities shall provide the widest possible range of cooperation to the competent authorities of other states for purposes of extradition and mutual legal assistance in connection with criminal investigations and proceedings related to money laundering, associated predicate offences, and the financing of terrorism.
2. In the event that the requesting state asks for coercive measures to be carried out on their behalf, the condition of dual criminality will have to be fulfilled. Coercive measures include but are not limited to arrest, search, seizure, and interception of communication.
3. Dual criminality shall be deemed fulfilled irrespective of whether the laws of the requesting state place the offence within the same category of offence or denominate the offence by the same terminology as in The Federal Republic of Somalia, provided the conduct underlying the offence for which assistance is sought is a criminal offence under the laws of the Federal Republic of Somalia and the states concerned.
4. The Ministry of Justice, in conjunction with the Financial Reporting Center, shall
   a. Issue regulations that specify systematic procedures, forms, and deadlines to ensure requests for mutual legal assistance are efficiently and effectively processed and responded to;
   b. Collect data to monitor and evaluate the efficiency and effectiveness of requesting and responding to mutual legal assistance requests; and

Art. 37: Requests for mutual legal assistance

Upon application by a foreign state, requests for mutual legal assistance in connection with money laundering, associated predicate offences, or terrorist financing shall be executed in accordance with the principles set out in this part. Mutual legal assistance may include in particular, but not limited to:

1. Taking evidence or statements from persons, including taking in-court statements;
2. Assisting in making detained persons, voluntary witnesses, or others available to the judicial authorities of the requesting state in order to give evidence or assist in investigations;
3. Effecting service of judicial documents;
4. Executing searches of persons and premises and seizures of evidence;
5. Examining objects and sites;
6. Providing information, evidentiary items, and expert evaluations;
7. Providing originals or certified copies of relevant documents and records, including government, bank, financial, corporate or business records held by financial institutions, DNFBPs and other natural or legal persons;
8. Identifying, tracing, freezing, seizing or confiscating laundered funds from proceeds of crime, funds and other assets from, or funds, including funds of corresponding value from, or instrumentalities used in or intended for use in money laundering, predicate offences or terrorism financing, for evidentiary or confiscation purposes;
9. ;
10. Providing any other form of mutual legal assistance not contrary to the domestic laws of The Federal Republic of Somalia.

Art. 38: Refusal to execute requests

1. No request for mutual legal assistance shall be refused on the basis of, or made subject to, unduly restrictive conditions.
2. A request for mutual legal assistance may be refused only if:

a. It was not made by a competent authority according to the legislation of the requesting country, if it was not transmitted in accordance with applicable laws, or its contents are in substantial non-conformity with Article 44;

b. Its execution is likely to prejudice the law and order, sovereignty, security, public order, or other essential interests of the Federal Republic of Somalia;

c. The offence to which it relates is the subject of criminal proceedings or has already been the subject of a final judgment in the territory of the Federal Republic of Somalia;
d. There are substantial grounds for believing that the measure or order being sought is directed at the person in question solely on account of that person's race, religion, nationality, ethnic origin, political opinions, gender, or other status;
e. If the offence referred to in the request is not provided for under the legislation of the Federal Republic of Somalia or does not have features in common with an offence provided for under the legislation of the Federal Republic of Somalia; however, assistance shall be granted if it does not entail coercive measures;
f. If the measures requested cannot be ordered or executed by reason of the statute of limitations applicable to money laundering, associated predicate offences, or financing of terrorism under the legislation of the Federal Republic of Somalia or the law of the requesting state;

3. A request shall not be refused on the grounds of provisions requiring reporting entities to maintain secrecy or confidentiality, except where the relevant information that is sought is held in circumstances where legal professional privilege or legal professional secrecy applies.
4. Assistance shall not be refused on the sole ground that the offence is also considered to involve fiscal matters.
5. A decision of a court in relation to a request for mutual legal assistance may be subject to appeal.
6. The competent authority shall promptly inform the foreign competent authority of the grounds for refusal to execute the request.

Art. 39: Requests for investigative measures

1. Investigative measures, including those referred to in Article 37, shall be undertaken in conformity with the procedural rules of the Federal Republic of Somalia unless the competent foreign authority has requested a specific procedure not contrary to such rules.
2. A public official authorized by the competent foreign authority may attend the execution of the measures.

Art. 40: Requests for provisional measures

1. Provisional measures requested by a state shall be undertaken in accordance with domestic law. If the request is worded in general terms, the most appropriate measures provided by law shall be used.
2. Should domestic law not provide for the measures requested, the competent authority may substitute those measures provided for in the law whose effects correspond most closely to the requested measures, subject to consultations with the requesting state.
3. Provisional measures may be lifted at any time by the judicial authority that ordered the provisional measure on its own initiative or at the request of the public prosecutor's office, suspects, or persons claiming rights to the funds, if the reasonable grounds to suspect the criminal offence are no longer in place. Before lifting the provisional measures applied, the requesting country should be informed thereof.

Art. 41: Requests for confiscation

1. In the case of a request for mutual legal assistance seeking a confiscation order, the competent authorities shall either recognize or enforce the confiscation order made by a court of the requesting state or submit the request to their prosecuting authority for the purpose of obtaining a domestic confiscation order and, if such order is granted, enforce it.
2. Where the competent authorities recognize and enforce a confiscation order issued abroad, they shall be bound by the findings of fact on which the order is based.

Art. 42: Disposal of seized or confiscated funds

The Federal Republic of Somalia shall:

(a) Enter into arrangements for coordinating seizure and confiscation actions with other countries;

(b) Have the power to manage or dispose of funds seized or confiscated on its territory at the request of foreign authorities unless provided otherwise under an agreement concluded with the requesting state, without prejudice to the return of the assets to their legitimate owner in good faith; and

(c) Have the power to share confiscated funds with other countries, in particular, when confiscation is directly or indirectly a result of coordinated law enforcement actions.

Art. 43: Joint investigations

Competent authorities may enter into bilateral or multilateral agreements or arrangements, in relation to matters that are the subject of investigations or proceedings in one or more states, to set up joint investigative teams and conduct joint investigations. Such agreements or arrangements should describe mandates, competences, information sharing, costs, and other related matters. In the absence of such agreement or arrangement, joint investigations may be undertaken on a case- by- case basis.

Art. 44: Extradition

1. Money laundering and financing of terrorism shall be extraditable offences.
2. Execution of extradition requests related to money laundering and financing of terrorism offences shall be subject to the procedures and principles set forth in the applicable extradition treaties. In the absence of such treaties or for matters not regulated by such treaties, the procedures and principles in domestic law shall be applied.
3. Extradition based upon this law shall be carried out only if the offence giving rise to the request for extradition or a similar offence is provided for under the legislation of the requesting state and of the Federal Republic of Somalia.
4. Extradition shall not be granted:
    a. If there are substantial grounds to believe that the request for extradition has been made for the purpose of prosecuting or punishing a person on account of that person's gender, race, religion, nationality, ethnic origin, or political opinions, or that compliance with the request would cause prejudice to that person’s position for any one of these reasons;

b. If a final judgment has been rendered in the Federal Republic of Somalia in respect of the offence for which extradition is requested;
c. If the person whose extradition is requested has, under the legislation of either country, become immune from prosecution or punishment for any reason, including statute of limitations or amnesty;
d. If there are substantial grounds to conclude that the person whose extradition is requested has been or would be subjected to torture or cruel, inhuman, or degrading treatment or punishment, or if that person has not received or would not receive the minimum guarantees in criminal proceedings, as contained in Article 14 of the International Covenant on Civil and Political Rights.

5. Extradition shall not be refused on the sole ground that the offence is considered also to entail fiscal matters.
6. Extradition may be refused if:
    a. A prosecution in respect of the offence for which extradition is requested is pending in the Federal Republic of Somalia against the person whose extradition is requested;
    b. The offence for which extradition is requested has been committed outside the territory of either country and the legislation of the Federal Republic of Somalia does not provide for jurisdiction over offences committed outside its territory in comparable circumstances;
    c. The person whose extradition is requested has been sentenced for the conduct which gives rise to the request or would be liable to be tried or sentenced in the requesting state by an irregular or fundamentally unfair extraordinary or ad hoc court or tribunal;
    d. The Federal Republic of Somalia, while also taking into account the nature of the offence and the interests of the requesting state, considers that, in the circumstances of the case, the extradition of the person in question would be incompatible with humanitarian considerations in view of the age, health or other personal circumstances of that person;
    e. The extradition is requested pursuant to a final judgment rendered in the absence of the convicted person who, for

reasons beyond his or her control, has not had sufficient notice of the trial or the opportunity to arrange for his or her defense and he or she has not had or will not have the opportunity to have the case retried in his or her presence;

f. The Federal Republic of Somalia has assumed jurisdiction over the offence;

g. The person whose extradition is requested would be subject to the death penalty in respect of the crime of which that person is accused in the requesting country, unless that country gives sufficient assurances that the penalty will not be carried out.

7. If extradition is refused on grounds stated in this Part, the case shall be referred to the competent authorities in order that proceedings may be instituted against the person concerned in respect of the offence that gave rise to the request.

8. With regard to money laundering and financing of terrorism, the Federal Republic of Somalia may grant extradition after receipt of a request for provisional arrest, provided that the person whose extradition is requested explicitly consents before a competent authority.

Art. 45: Processing of mutual legal assistance and extradition requests

1. Political nature of offences

   For the purposes of this law, money laundering and financing of terrorism shall not be regarded as political offences or offences connected with a political offence, or offences inspired by political motives.

2. Transmission and processing of requests

   a. The Ministry of Justice has the responsibility and power to receive mutual legal assistance or extradition requests sent by competent foreign authorities with respect to money laundering, associated predicate offences and financing of terrorism, and it shall either execute them or transmit them to the competent authorities for execution. It shall ensure speedy and proper execution or transmissions of the request received or, if forwarded for execution, encourage speedy execution by competent authorities. It shall develop clear processes, including a case management system, to support the timely prioritization and execution of these requests. In urgent cases, such requests may be sent through the International Criminal Police Organization (ICPO/Interpol) or directly by the foreign authorities to the judicial authorities of the Federal Republic of Somalia. In such cases, the authority receiving the request shall notify the Ministry of Justice for inclusion of the request in the case management system maintained by the Ministry of Justice.

b. Requests and answers shall be transmitted either by post or by other more rapid and secure means of transmission that provides a written or materially equivalent record under conditions allowing the Federal Republic of Somalia to establish authenticity.

c. Requests and their annexes shall be accompanied by a translation in a language acceptable to the Federal Republic of Somalia.

Art. 46: Content of requests

1. Requests shall specify:
   a. The identity of the authority requesting the measure;
   b. The name and function of the authority conducting the investigation, prosecution, or proceedings;
   c. The requested authority;
   d. The purpose of the request and any relevant contextual remarks;
   e. The facts in support of the request;
   f. Any known details that may facilitate identification of the persons concerned, in particular name, marital status, nationality, address location, and occupation;
   g. Any information necessary for identifying and tracing the persons, instrumentalities, funds, or funds in question;
   h. The text of the statutory provision establishing the offence or, where applicable, a statement of the law applicable to the offence and an indication of the penalty that can be imposed for the offence;
   i. A description of the assistance required and details of any specific procedures that the requesting state wishes to be

applied, including whether the type of assistance is categorized as coercive measures in the requesting state, and has implied a court order in the requesting state. If the latter is the case, a copy of the court order should be submitted to the competent Somali authorities.

2. In addition, requests shall include the following particulars in certain specific cases:
    a. In the case of requests for provisional measures: a description of the measures sought;
    b. In the case of requests for the issuance of a confiscation order: a statement of the relevant facts and arguments to enable the judicial authorities to order the confiscation under domestic law;
    c. In the case of requests for the enforcement of orders relating to provisional measures or confiscations:
        i. A certified copy of the order and a statement of the grounds for issuing the order if they are not indicated in the order itself;
        ii. A document certifying that the order is enforceable and not subject to ordinary means of appeal;
        iii. An indication of the extent to which the order is to be enforced and, where applicable, the amount for which recovery is to be sought in the item or items of funds;
        iv. Where necessary and if possible, any information concerning third-party rights of claim on the instrumentalities, proceeds, funds, or other things in question.
3. In the case of requests for extradition, if the person has been convicted of an offence, the original or a certified copy of the judgment or any other document setting out the conviction and the sentence imposed, the fact that the sentence is enforceable, and the extent to which the sentence remains to be served.

Art. 47: Additional information

The Ministry of Justice or the competent authority handling the matter may request additional information from the competent foreign authority if it appears necessary to execute or facilitate the execution of the request.

Art. 48: Requirement of confidentiality

Where a request requires that its existence and substance be kept confidential, such requirements shall be observed. If that is not possible, the requesting authorities shall be promptly informed thereof.

Art. 49: Delay in complying with request

The Ministry of Justice may delay the referral of requests to the competent authorities responsible for the execution of the request if the measure or order sought is likely to substantially interfere with an ongoing investigation or proceeding. It shall immediately so advise the requesting authority.

Art. 50: Costs

Costs incurred in complying with requests provided for under this part shall be borne by the requesting state unless both states agree otherwise.

Art. 51: Asset sharing

Funds which has been obtained from the execution of a confiscation order shall be disposed of as follows, unless otherwise agreed: If the amount obtained from the execution of the confiscation order is below Five Thousand Dollars (USD $5,000), or the equivalent to that amount, the amount shall accrue to the State of Somalia. Where the amount is more than Five Thousand Dollars (USD $5,000), the parties shall agree on asset sharing proportion.

PART IX: OTHER FORMS OF INTERNATIONAL COOPERATION

Art. 51A: General provisions

1. The Financial Reporting Center, designated AML/CFT supervisors and other competent authorities in the fight against money laundering, associated predicate offences and terrorism financing

shall ensure international cooperation with their foreign counterparts, at their request or on their own initiative in the manner prescribed by the legislation of the Federal Republic of Somalia, international treaties to which the Federal Republic of Somalia is signatory or on the basis of the principles of reciprocity and confidentiality.

2. For the exchange of information with foreign counterparts as defined in paragraph (1) of this Article, the Financial Reporting Center, designated AML/CFT supervisors and other competent authorities:

    i. shall not place unreasonable or unduly restrictive conditions on the provision or exchange of information or assistance and shall share information with their counterparts, regardless of their nature or status (i.e., civil, administrative, law enforcement, judicial, or other); or whether the request is also considered to involve fiscal matters; or whether an inquiry, investigation or proceeding is underway.
    ii. shall make use of clear and secure channels that will facilitate and allow for the transmission and execution of requests.
    iii. shall develop and maintain clear processes for safeguarding data, information and documents received from foreign counterparts and maintain appropriate confidentiality for any request for co-operation and the data, information and documents exchanged, consistent with both parties' obligations concerning privacy and data protection.

Art. 51B: Powers to provide assistance to foreign counterparts

1. The Financial Reporting Center, designated AML/CFT supervisors and other competent authorities shall have the power to exchange with their foreign counterparts:

    The Financial Reporting Center
    i. all information and documents that are accessible and obtainable directly or indirectly by the Center, including information from reporting entities and other competent authorities, as provided for in Article 23; and

ii. any other information and documents which it has the power to obtain or access, directly or indirectly, at the domestic level, subject to the principle of reciprocity.

Designated AML/CFT supervisory authorities

i. information domestically available to them, including information held by financial institutions and DNFBPs, in a manner proportionate to their respective needs.

ii. when relevant for AML/CFT purposes,

  - regulatory information, such as information on the domestic regulatory system, and general information on the financial and DNFBP sectors;
  - AML/CFT information, such as internal AML/CFT procedures and policies of financial institutions and DNFBPs, customer due diligence information, customer files, samples of accounts and transaction information.

iii. In addition to exchanging information, designated AML/CFT supervisory authorities should be able to conduct inquiries on behalf of foreign counterparts, and, as appropriate, to authorise or facilitate the ability of foreign counterparts to conduct inquiries themselves in the country, in order to facilitate effective group supervision.

Law enforcement authorities

i. domestically available information for intelligence or investigative purposes relating to money laundering, associated predicate offences or terrorist financing, including the identification and tracing of the proceeds and instrumentalities of crime.

ii. In addition to exchanging information, law enforcement authorities shall also be able to:

  - use their powers, including any investigative techniques available in accordance with their domestic law, to conduct inquiries and obtain information on behalf of foreign counterparts.

- participate in joint investigative teams to conduct cooperative investigations, and, when necessary, establish bilateral or multilateral arrangements to enable such joint investigations.

Art. 51C: Refusals to provide assistance to foreign counterparts

1. The Financial Reporting Center, designated AML/CFT supervisors and other competent authorities may refuse to provide data, information and documents if:

   i. the foreign counterpart cannot protect the data, information or documents effectively;

   ii. the purpose for which the data, information or documents will be used, is insufficiently established;

   iii. the intended use of the data, information or documents does not fall within the scope of combating money laundering, associated predicate offences or the financing of terrorism;

   iv. this would impede an inquiry, investigation or proceeding in the Federal Republic of Somalia;

   v. this clearly violates the lawful interests of a natural or legal person of the Federal Republic of Somalia or otherwise be contrary to fundamental principles of domestic law. Such a refusal shall always be appropriately substantiated by Center, designated AML/CFT supervisors and other competent authorities.

Art. 51D: Requesting assistance from foreign counterparts

1. When requesting assistance from foreign counterparts, the Financial Reporting Center, designated AML/CFT supervisors and other competent authorities:

i. shall include a brief statement of the relevant facts known to them and indicate for what purposes the requested information will be used.

ii. may use the information and documentation received from foreign counterparties exclusively for those purposes and by those departments for which this information and documentation was requested, and shall not disclose the information or documentation received to third parties, or use such information or documentation in the course of a preliminary investigation or criminal, administrative or civil proceeding without the prior consent of the foreign counterparty that provided the information or documentation.

iii. shall, upon request, timely provide information to foreign counterparties from whom they received assistance on the use and usefulness of the information received.

PART X: MISCELLANEOUS

Art. 52: Power to issue Regulations

The Minister of Finance may, in consultation with the Committee, issue regulations for the better implementation of this Act.

Art. 52A: Official Versions

1. As it is necessary to ensure the consistent application and interpretation of this Act, which includes widely used specialized AML/CFT terminology, both the Somali- and English-language versions of this Act shall be official versions of this Act.
2. In the event of any inconsistency or conflict between the Somali- and English-language versions of this Act, the English-language version shall prevail.

Art. 53: Supersession over prior laws

This Act shall prevail over any prior law that is inconsistent or in conflict with it.

Art. 54: Entry into force

This Act shall be enacted when signed by the President of the Republic and published in the Official Bulletin of the Federal Republic of Somalia.