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**Law No. (54) of 2006 Amending Certain Provisions of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering**

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

Having reviewed the Constitution,

The Penal Code promulgated by Legislative Decree No. (15) of 1976, as amended,

Legislative Decree No. (17) of 1989 regarding the Ratification of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,

Legislative Decree No. (9) of 1995 Ratifying the Arab Convention for Combating Illicit Traffic in Narcotic Drugs and Psychotropic Substances,

Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering,

Legislative Decree No. (26) of 2002 Approving Accession to the Treaty of the Organisation of the Islamic Conference on Combating International Terrorism,

The Criminal Procedures Law promulgated by Legislative Decree No. (46) of 2002,

Law No. (4) of 2004 Approving Accession of the Kingdom of Bahrain to the United Nations Convention Against Transnational Organised Crime and its Supplementary Protocols,

And Law No. (8) of 2004 Ratifying the Accession of the Kingdom of Bahrain to the International Convention for the Suppression of the Financing of Terrorism,

The Shura Council and the Council of Representatives have endorsed the following Law, which we have ratified and enacted:

Article One

1- The texts of Clause "e" of Paragraph (4-2) and Clause "b" of Paragraph (4-4) of Article (4) of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering shall be replaced with the following texts:

Clause "e" of Paragraph (4-2):

Coordinating with the relevant authorities to implement the United Nations Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Arab Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the International Convention for the Suppression of the Financing of Terrorism, the United Nations Convention against Transnational Organised Crime and its Supplementary Protocols, and other relevant treaties, charters, regulations, and applicable decisions, while adhering to the recommendations issued by the Financial Action Task Force on Money Laundering and Terrorist Financing.

Clause "b" of Paragraph (4-4):

Taking measures for the investigation and evidence gathering in offences of money laundering, terrorist financing, illicit transfer of funds across borders, and related crimes.

The phrase "Minister of Justice" shall be replaced with "Minister of Justice and Islamic Affairs" as stated in Article (8) Paragraph (6), the phrase "Minister of Finance" shall be replaced with "Minister of Finance and National Economy," and the phrase "Public Prosecution" shall be replaced with "Investigating Judge" wherever it appears in the texts of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering.

Article Two

1) A definition for the term "Terrorism" and the phrase "Illicit Transfer of Funds Across Borders" shall be added to the end of the definitions in Article 1. Additionally, a new Paragraph numbered (3-1) shall be inserted at the beginning of Article 3 of Legislative Decree No. (4) of 2001 concerning the Prohibition and Combating of Money Laundering with the following provisions:

Article (1):

(Terrorism):

a) Any act of violence or threat thereof, irrespective of its motives or objectives, committed in furtherance of an individual or collective criminal scheme, aimed at instilling terror among people or intimidating them by causing harm, endangering their lives, honour, freedom, security, or rights, damaging the environment, public or private facilities, or properties, occupying or seizing them, endangering national resources or international facilities, or threatening the stability, territorial integrity, political unity, or sovereignty of independent States. This is without prejudice to the definition of terrorism provided in the Treaty of the Organisation of the Islamic Conference on Combating International Terrorism or relevant laws.

b) Acts of struggle by peoples, including armed struggle against foreign occupation, aggression, colonialism, and foreign domination for liberation or self-determination shall not be considered terrorist crimes in accordance with the principles of international law.

(Illicit Transfer of Funds Across Borders):

A criminal act perpetrated by any natural or legal person, by any means, whether directly or indirectly, involving the transfer of funds across international borders, if such transfer is not disclosed in violation of the disclosure regulation or is conducted for the purpose of money laundering or financing terrorism.

Article (3), Paragraph (3-1):

Anyone who collects, gives, or allocates assets or funds or their proceeds to an association, group, organisation, body, or gang engaged in terrorist activity, whether based inside or outside the country, or to any of its members; or who undertakes any operation for its benefit, or provides it with support or funding by any means, while being aware of its terrorist activity, shall be sentenced to life imprisonment or imprisonment for a term of no less than ten years and fined an amount not less than one hundred thousand dinars and not exceeding five hundred thousand dinars.

The same penalty shall apply to anyone who, either directly or indirectly, by any means, receives assets or funds of any kind from any of those entities to preserve or exploit them for its benefit.

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

2) Paragraphs (3-1) to (3-7) of Article 3 of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering shall be renumbered as (3-2) to (3-8), respectively.

3) A new Article, numbered (5) bis and titled "Disclosure System," shall be added to Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering with the following text:

Article (5) bis:

The entry of funds into or their exit from the State is guaranteed for all travellers in accordance with the law. The Minister of Finance may determine, by his decision, the maximum amount of funds allowed to be brought into or taken out of the country without the need for disclosure. Any amount exceeding this limit, in the event that a decision is made to specify it, shall be subject to the disclosure system issued by a decision from the Minister of Finance based on a proposal from the Anti-Money Laundering and Terrorist Financing Policy Committee.

4) The phrase "and Terrorist Financing and the Illicit Transfer of Funds Across Borders" shall be added after the phrase "Money Laundering" in Paragraphs (4-4) and (4-5) of Article (4) of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering.

5) The phrase "and Terrorist Financing" shall be added after the phrase "Money Laundering" wherever it appears in Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering, except for where it appears in Paragraphs (2-1), (2-3), (2-4), and (2-5) of Article (2), Paragraph (3-2) of Article (3), and Paragraphs (4-4) and (4-5) of Article (4) of the aforementioned Legislative Decree No. (4) of 2001.

Article Three

Paragraph (4-6) of Article (4) of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering shall be repealed.

Article Four

The Ministers—each within their jurisdiction—shall implement this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

King of the Kingdom of Bahrain

Hamad bin Isa Al Khalifa

Issued at Riffa Palace:

On:

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Corresponding to:

8th August 2006