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**Published on the website on May 2024**

**Legislative Decree No. (29) of 2020 amending some provisions of Legislative Decree No. (4) of 2001 regarding Prohibition And Combating Money Laundering And Terrorism Finance**

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

Having reviewed the Constitution, in particular Article (38) thereof,

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

Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering and the Financing of Terrorism, as amended;

Criminal Procedures Law promulgated by Legislative Decree No.(46) of 2002, as amended;

Law No. (58) of 2006 regarding Protection of the Community from the Acts of Terrorism, as amended;

And upon the submission of the First Deputy Council of Ministers,

And after approval by the Council of Ministers,

**Hereby Decree the following Law:**

**Article One**

The definitions of (money) and (terrorism) contained in Article (1) of Legislative Decree No. (4) of 2001 regarding the Prohibition and Combating of Money Laundering and the Financing of Terrorism are replaced by the following definitions:

(Money) They are all assets, property, economic resources, and things of value, whatever their type, description, nature, or method of obtaining them, and whether they are material or moral, movable or immovable, tangible or intangible, and include, but are not limited to:

a- National and foreign currencies, digital currencies, virtual assets, bills of exchange, securities, and commercial instruments that are tradable, negotiable, paid for, or endorsed by their holders.

b- Cash, deposits, and accounts with banks and other financial institutions, whether inside or outside the Kingdom.

c- Works of art, antiques, jewellery, and precious metals.

d- Real estate, movable property, and the rights related to it, whether personal or in kind.

e- Trademarks and intellectual property rights.

f- Legal documents, instruments, deeds, and any paper that proves ownership of funds or a share thereof in whatever form, including electronic or digital, and all rights related to any of them. (Terrorism) with the definition referred to in Article (1) of Law No. (58) of 2006 regarding the Protection of the Community from Acts of Terrorism.

**Article Two**

The texts of Clause (n) of Paragraph (1-2) of Article (2), Paragraphs (3-3), (3-4) and (3-6) of Article (3), the two Paragraphs (2-4) and (4-5) of Article (4), Article (5), Clause (c) of Paragraph (1-6) of Article (6), and Paragraph (8) (1) of Article (8) of the Legislative Decree No. (4) of 2001 regarding Anti-Money Laundering and Combating the Financing of Terrorism, shall be replaced with the following texts:

**Article (2) Paragraph (1-2) Clause (n):**

Any criminal activity mentioned in the Bahraini Penal Code or any of the other laws and crimes mentioned in the international conventions and protocols attached thereto, to which the Kingdom is a party.

**Article (3) Paragraph (3-3):**

Without prejudice to the rights of bona fide third parties, whoever commits any of the crimes provided for in this Law, shall be sentencedin addition to the prescribed penalty of confiscation of the funds subject of the crime or any money owned by him equal in value to the money subject of the crime.

The judge shall order the confiscation of funds upon the expiration of the Criminal lawsuit for the death of the accused, which evidently proved that they had been collected from the crime.

**Article (3) Paragraph (3-4):**

Without prejudice to the responsibility of the natural person, the legal person shall be punished with the fine prescribed in this Law if any of the crimes provided for therein are committed in his name or through him, or for his account, with the confiscation of the funds subject of the crime or any money owned by him equal in value to the money subject of the crime.

**Article (3) Paragraph (3-6):**

Whoever violates the provisions of the regulations or decisions promulgated under this Law shall be punished with imprisonment or a fine not exceeding one hundred thousand dinars, or with both penalties.

**Article (4) Paragraph (4-2):**

The Committee in particular is competent in the following:

a- To establish procedures regulating its work.

b- To study the development of public policies regarding Anti-Money Laundering and Combating the Financing of Terrorism.

c- To study the guidelines for reporting suspected operations in coordination with the competent authorities.

d- To study and follow up on global and regional developments in the field of money laundering and terrorist financing to make recommendations on developing guidelines and proposing appropriate amendments to the Law.

e- To coordinate with the competent authorities with a view to implementing the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Arab Convention against 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 Organized Crime and the two protocols that supplement it, and other relevant agreements, charters, regulations, and decisions in force, taking into account the recommendations promulgated by the Financial Action Group to combat money laundering and terrorist financing.

f- To prepare a proposal for requirements for the National Risk Assessment Report (NRA) and follow up on any developments in this regard.

g- To coordinate with the competent authorities to prepare relevant national statistics, information, and data.

h- To offer recommendations related to organizing mechanisms, procedures, and rules for carrying out and implementing the decisions promulgated by the United Nations Security Council under Chapter Seven of the United Nations Charter on preventing and suppressing terrorism and its financing and preventing, suppressing, and stopping the proliferation of weapons of mass destruction and their financing, as well as those related to national lists of terrorism, the relevant decisions, and so forth, and the associated obligations.

i- The Committee shall submit to the Minister of Interior its proposals and recommendations in accordance with the provisions of this paragraph and periodic reports on the results of its work.

**Article (4) Paragraph (4-5):**

The competent authorities, in coordination with the Implementing Unit, promulgate the necessary decisions regarding the procedures for prohibiting and combating money laundering, terrorist financing, and illegal transfer of funds across borders, including the following:

a- The regular reports from the institutions are accurate and complete and contain all the necessary information and details regarding suspicious operations - including attempts to conduct operations - regardless of their value.

b- The institutions shall promptly report any suspicious operations - including attempts to conduct operations - in an accurate and complete manner that contains all necessary information and details, regardless of their value.

c- The Institutions shall prove the identity of their clients and beneficiaries by verifying that identity.

d- The institutions’ internal reporting requirements.

e- All regulatory requirements, including academic qualifications and practical experience, are required for employees of institutions who are responsible for reporting suspicious operations, in order to ensure that they send accurate and complete reports on these operations.

**Article (5):**

**Institutions**

Institutions shall observe the following:

a- To maintain a period of five years after the end of the process with a copy of the identity documents of each customer, as specified in the regulations and decisions promulgated under this Law.

b- To keep an accurate and complete record containing all the information and details necessary for each new or non-related operation - including attempts to conduct operations - for a period of five years after the end of the operation that was recorded or attempted? Regardless of its value.

c- To inform the implementing unit and the competent authorities immediately, in an accurate and complete manner, containing all the information and details necessary for any operation - including the attempt to conduct it - that the competent employee suspects about the nature of the persons involved, the nature of the operation, or any other circumstances, regardless of its value.

d- To provide any additional documents, information, or assistance requested by the implementing unit or the competent authorities.

e- To comply with the directives of the competent authorities regarding the development and implementation of internal control policies, procedures, and means, including the identification of application and control personnel at the administration level to combat money laundering and terrorist financing, and to develop auditing rules that allow the evaluation of these procedures, policies, and means of internal control.

f- To cooperate with any government agency, including the implementing unit.

g- To establish and implement audit procedures to ensure compliance with the provisions of this Article.

h- To prohibit opening or maintaining any secret, fake, or anonymous accounts.

i- To apply policies and procedures to combat money laundering and terrorist financing, including the organization for exchanging information on customer due diligence, Hazards management, analysing reports, setting up training programs, and setting up internal control systems and procedures to ensure the confidentiality of information, which applies to all companies in the commercial group, including branches and companies affiliated to it and associated with it, whether inside or outside the Kingdom, in accordance with the decisions promulgated by the relevant authorities in this regard.

**Article (6) Paragraph (1-6) Clause (C):**

Reserving and preventing the disposal or administration of any funds subject to confiscation or any owned funds equal in value to the funds subject to the crime in accordance with the provisions of this law.

**Article (8) Paragraph (8 (1)):**

In the event that a foreign country requests specific information related to suspicious operations or natural or legal persons involved in those operations or in an investigation or accusation regarding the crime of money laundering and terrorist financing, the implementing unit shall implement the request or inform the foreign state of the reasons that turn aside from responding to its request or any delay in its implementation, without prejudice to the order of priorities in the urgently received requests.

**Article Three**

A new Article No. (2) bis entitled (Administrative Fine) shall be added to Legislative Decree No. (4) of 2001 regarding the prohibition and combating of money laundering and terrorist financing, and new paragraphs No. (2-8) shall be added to Article (2) and (7(8)) to Article (8), (10 (6)) and (10 (7)) to Article (10) of the same Legislative Decree, the following texts:

**Article (2) bis:**

**Administrative Fine**

Without prejudice to any more severe administrative fine, the competent authorities may impose an administrative fine of not more than fifty thousand dinars against the institutions in the event that they violate the provisions of the regulations or decisions promulgated under this Law. and the fine shall be multiplied by the number of violations.

The procedures for imposing an administrative fine, grievance, and appeal thereon shall be subject to the legal provisions regulating disciplinary liability or administrative penalties in each competent authority. and it is permissible to combine the Administrative fine with any other disciplinary or Administrative penalty imposed by those Authorities. The decision promulgated for the administrative fine shall be executive whenever the methods of appeal have been exhausted in its regard or by missing deadlines.

In the event that there is no legal regulation of the provisions of disciplinary liability or administrative penalties, the competent authority under this Law may impose an administrative fine. Whoever is ordered to pay an administrative fine may file a grievance against this decision within fourteen days from the date of his notification thereof before the competent authority, provided that the grievance is decided upon within fourteen days from the date of its submission, and the elapse of this period without a response is considered an implicit rejection of the grievance.

Whoever has his grievance rejected, explicitly or implicitly, may appeal before the High Civil Court within sixty days from the date of being notified of the rejection of his grievance or from the date his grievance is considered rejected. The lawsuit is only accepted after appealing the decision. The decision promulgated for the administrative fine shall be executed by missing the deadline for grievance without grievance, or by the elapsing of the referred appeal period unless the court orders to stop its implementation.

**Article (2) Paragraph (2-8):**

Whoever, natural or legal persons, involved in the crimes provided for in this Article in his capacity as an actor or accomplice shall be punished with the penalties prescribed therefor, and even his attempt to commit them shall be punished with the penalties prescribed for the complete crime.

**Article (8) Paragraph (8 (7)):**

Research teams may be formed or joint investigations conducted with one or more countries based on cooperation arrangements or bilateral or multilateral agreements. and the Council of Ministers promulgates a decision specifying the entities that may do so and the procedures to be followed.

**Article (10) Paragraph (10 (6)):**

The Public Prosecution or the competent court, when examining the lawsuit - according to the circumstances - may promulgate its order to appoint a manager to administer the seized funds. and the Minister of Justice, in coordination with the competent authorities, promulgates the necessary decisions to regulate the rules and procedures for this.

**Article (10) Paragraph (10 (7)):**

Natural and legal persons shall implement the decisions promulgated by the United Nations Security Council under Chapter Seven of the United Nations Charter regarding preventing and suppressing terrorism and its financing, preventing, suppressing, and stopping the proliferation of weapons of mass destruction and their financing immediately without delay, as well as the decisions promulgated regarding the national lists of terrorism, all according to the mechanisms, procedures, and rules that are determined by decisions of the Council of Ministers.

**Fourth Article**

The phrase (customs fees) mentioned in Clause (j) of Paragraphs (1-2) of Article (2) of Legislative Decree No. (4) of 2001 regarding Anti-Money Laundering and Combating the Financing of Terrorism shall be deleted.

**Fifth Article**

The Prime Minister and Ministers - each according to his jurisdiction - shall implement the provisions of this law, and it shall come into effect on the following day of the date of its publication in the Official Gazette.

**King of the Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa**

**First Deputy Council of Ministers**

**Salman bin Hamad Al Khalifa**

Promulgated in Riffa Palace:

On: 13 Safar 1440 A.H.

Corresponding to: 30 September 2020