

# The Money Laundering Law

## Article (1):

In implementation of this Law and unless the context otherwise requires, the following words and expressions shall have the corresponding meaning

### The Committee:

The National committee for combating money laundering

### The Central Bank:

The Central Bank of Oman

### The competent Authority:

The General Directorate of Criminal Investigations of the Royal Oman Police.

### The Competent Supervisory Authorities:

The Ministry of Commerce and Industry, The Central Bank of Oman, the Capital Market Authority.

### Money Laundering Offence:

Any of the acts specified in Article 2 of this Law.

### Institution:

Any establishment licensed to do business in the Sultanate as a bank, money exchange or an investment, financing, insurance or a financial intermediary company or any similar activities specified by the Committee..

### Property:

Assets of any kind whether corporeal or incorporeal, movable or immovable, and instruments and documents evidencing title to, or interest in such assets.

### Predicate Offence:

Any act constituting an offence in the Sultanate of Oman enabling the perpetrator to obtain proceeds of crime.

### Proceeds of Crime:

Property derived from the commission of an offence.

**Instrumentality:**

Instruments used or intended to be used in any manner to commit a money laundering offence.

**Transaction:**

Any purchase, sale, loan, pledge, gift, transfer, movement, delivery, or any other disposition of property, and with respect to an institution includes any deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of stock, bonds, certificates of deposit, or rental of safe deposit boxes and any other activities undertaken by institutions.

**Transaction record:**

Includes where relevant to a transaction:-

The register containing the identification records of parties to the transaction, the details of any account used for that transaction and the total value of that transaction.

**Freezing:**

Temporary prohibition of transfer, remittance, exchange or disposal of property, or attaching and seizing such property temporarily by an order of a competent court.

**Confiscation:**

Permanent deprivation of property originating from or the instrumentality used in the commission of a money laundering offence, by an order of a competent court.

**Article (2):**

Any person who intentionally commits any of the following acts shall be deemed to have committed the offence of money laundering:

- (a) Transfer or movement of property or conducting a transaction with the proceeds of crime knowing, or with reason to know, that such property is derived directly or indirectly from a crime or from an act or acts of participation in a crime , with the purpose of concealing or disguising the nature or source of such proceeds or of assisting any person or persons involved in a crime.
- (b) The concealment, or disguise of the nature, source, location, disposition, movement, ownership and rights in or with respect of proceeds of crime, knowing or with reason to know, that such proceeds were derived directly or indirectly from a crime or from an act or acts of participation in a crime.
- (c) The acquisition, receipt, possession or retention of proceeds of crime knowing, or with reason to know, that it was derived directly or indirectly from a crime or from an act or acts of participation in a crime.

Knowledge of the illicit source of the property shall be imputed unless the owner, or possessor proves otherwise.

**Article (3):**

Directors, owners, authorized representatives, auditors or employees of an institution who in such capacity participate, abet, aid or conspire in the commission of a money Laundering offence shall be considered original offenders. Provided that the institution shall be criminally liable of that offence if it is committed on its behalf or for its benefit.

**Article (4):**

Institutions and natural and juristic persons shall verify their customers' identity and addresses, pursuant to the instructions issued by the competent supervisory authority before opening accounts, taking stocks, bonds or other securities for safe custody, granting safe deposit facilities or engaging in any other business dealings.

**Article (5):**

Institutions shall maintain and hold documents of identification and addresses of customers and records of transactions for a period of not less than ten years commencing on the day following finalization of the transaction or closure of the account or termination of business relation, whichever is later.

**Article (6):**

Institutions shall establish internal control arrangements for detection and prevention of money laundering and shall further comply with any instructions from the competent supervisory authority.

Institutions shall develop programmes for combating money laundering. Such programmes shall include the following:

- (a) Enhancing and implementing internal policies, procedures and controls including designation of competent officers at management level for implementation of such policies..
- (b) Preparation of ongoing training programmes of concerned officials to keep them well informed on the latest developments in money laundering offences to enhance their abilities in detecting and combating such offences.

**Article (7):**

In cases where a suspect transaction has been carried out, and unless there was a criminal conspiracy with the perpetrator or perpetrators of the money laundering offence, no criminal, civil or administrative proceedings may be brought against the person who reported the suspicious transaction except where the reporting was made with the intention of harming the transacting party.

**Article (8):**

Institutions and their directors and employees shall not advise their customers when reporting information relating to them, or of the existence of suspicions of contravention of this Law in their activities, to the competent authority.

**Article (9):**

Notwithstanding any provisions relating to confidentiality of banking transactions, institutions shall report to the competent authority and the Central Bank and the competent supervisory authority on the transactions which are suspected to be in contravention of this Law. The report shall include all available information and documents relating to the transaction.

Institutions and other obligors may be required by the public prosecution to submit any additional information relating to suspicious transactions. The required information shall be submitted through the Central Bank or the competent supervisory authority.

**Article (10):**

The competent authority may exchange information received in accordance with Article 9 of this Law with competent authorities in other countries with which the Sultanate has signed agreements or on the basis of reciprocity. The competent authority and other official bodies shall maintain the confidentiality of such information except to the extent necessary for the purposes of investigations and Law suits relating to contraventions of this Law.

**Article (11):**

In the existence of information showing that the customer is not acting on his own behalf and that the transaction is suspicious, the institution shall immediately and before finalization of the transaction, report such information and suspicious to the competent authority. Customers with professions such as lawyers, or those with public powers of attorney may not invoke professional secrecy in order to refuse to disclose the true identity of the beneficiary.

**Article (12):**

The public prosecution may in case of necessity and on application from the competent authority, issue an order to stop the execution of a transaction for a period not exceeding forty eight hours, which may be

extended for a period not exceeding ten days if the evidence obtained makes it probable that the transaction is in contravention of this Law.

**Article (13):**

The public prosecution may, at the request of the competent authority, order all necessary precautionary measures including the seizure of property connected with the offence or its proceeds, as well as any evidentiary items that may make it possible to identify such property. The Competent Court shall have the right of freezing till a judgment is passed regarding the offence.

**Article (14):**

The public prosecution may, upon request from an authorized body in an other country having a signed agreement with the Sultanate or on basis of reciprocity, order the tracing or seizure of any property, proceeds, or instrumentalities involved in a money laundering offence.

**Article (15):**

Any person who commits or attempts to commit money laundering shall be punished with a term of imprisonment of not less than three years but not exceeding ten years and with a fine of not less than five thousand Omani Rials but not exceeding the equivalent of the value of the property subject to money laundering. The owner, possessor or user of the property involved in the offence shall be exempted from this punishment if he reports to the authorities on the source of the property and the identity of the perpetrators and accessories to the offence before institution of legal proceedings against him.

**Article (16):**

A penalty of imprisonment of not less than six months but not exceeding three years and a fine of not less than one thousand Rials but not exceeding twenty thousand Rials or any one of these punishments, shall be imposed on any directors, owners, authorized representatives or employees of any institution who, acting in that capacity, contravene or fail to comply with any of the obligations specified in Articles 4,5,8 or 11 of this Law.

**Article (17):**

The court may impose a fine of not less than ten thousand Omani Rials but not exceeding the equivalent of the value of the property subject to money laundering on an institution on conviction under Article 3 of this Law.

**Article (18):**

In the event of a conviction for actual or attempted money laundering an order shall be issued for the confiscation of:

- (a) The property forming the subject matter of the offence, including income and other proceeds obtained therefrom, against any person to whom it may belong, unless he establishes that he acquired it on legitimate grounds and that he was unaware that it originated from a money laundering offence.
- (b) Proceeds of crime belonging to a person convicted of a money laundering offence or to his spouse or children or any other person, unless the parties concerned can establish the lawful origin thereof.
- (c) Property, wheresoever located, that has become part of the assets of the person convicted with a money laundering offence unless the parties concerned establish the lawful origin thereof, provided also that where property subject to money laundering has been intermingled with property acquired from legitimate sources the confiscation shall be ordered only in regard of property subject to the money laundering offence.

In all cases the lapse of a law suit due t a legal impediment, such as death of the accused, shall not prevent passing a judicial decree of confiscation unless his heirs establish the lawful origin of the property.

**Article (19):**

Any legal disposition the purpose of which is to safeguard property from the confiscation procedures, provided for in Article 18 of this Law, shall be void, provided that in such case the beneficiary shall be reimbursed only for the amount actually paid.

**Article (20):**

The Public Prosecution may give permission for the sale of confiscated property, proceeds or instrumentalities and deposit the proceeds of sale in the public treasury according to legally established procedures.

**Article (21):**

(a) The National Committee for Combating Money Laundering shall be constituted under the Chairmanship of the Under Secretary of the Ministry of National Economy for Economic Affairs and the membership of:

- (1) The Under Secretary of the Ministry of Justice.
- (2) The Under Secretary of the Ministry of Commerce and Industry for Commerce and Industry.
- (3) The Secretary General of Taxation.
- (4) The Executive President of the Central Bank of Oman
- (5) The Executive President of the Capital Market Authority
- (6) The Deputy Inspector General of Police and Customs for Operations
- (7) The Prosecutor General

The Committee may solicit the assistance of suitable experts in the execution of its functions, provided that they shall not have countable votes.

The Committee shall have the following functions:

- (1) To establish the general policies of combating money laundering in coordination with competent bodies.
- (2) To study and follow up international and regional developments in the field of money laundering for the purpose of recommending appropriate changes in this Law.
- (3) To establish programmes for training personnel working in the field of combating money laundering.
- (4) To specify the activities which are similar to the 'institution'.
- (5) To specify the situations, conditions and amount of financial incentives payable to the personnel working in the field of combating money laundering and any person who reports on a money laundering offence.

- (6) To establish the necessary budget for implementing its functions. The budget shall be financed by the Ministry of Finance.
- (7) To establish procedures regulating its work.

The Minister of National Economy shall supervise the committee.

**Article (22):**

The Sultanate of Oman adopts the principle of International Co-operation in combating the offence of money laundering and following and extradition of the perpetrators and execution of judgments in this regard, in accordance with the Sultanates Laws and the agreements to which the Sultanate is a party or on basis of reciprocal treatment.