

Executive By-Law of

Anti- Money Laundering Act

Chapter one: Definitions

Article 1:

The following definitions shall apply to terms and phrases of this by-Law

- a) **Act** means the Anti-Money Laundering Act passed in 2007 as well as the regulation that have been communicated to the bank so far.
- b) **Customer** means a customer and/or any person, whether the principal, his attorney or legal agent, who applies to natural and legal persons who are subject to Act so as to benefit from services, carry out deals, transfer funds and precious possessions (such as gold, jewel, antique, valuable artistic work and the like).
- c) **Initial Identification** means checking against identification documents and entry of information declared by customer. In case the information is provided by agent or attorney, information of the principal shall be entered in addition to that of the attorney's or agent's.
- d) **Full Identification** means precise identification of customer at the time of providing basic services as referred to in Items (d) and (f) of Article 3 of this By-Law.
- e) **Credit Institutions** means banks (including Iranian banks and branches and representative offices of foreign banks based in the Islamic Republic of Iran), non-bank credit institutions, credit cooperatives, interest-free loan funds, leasing companies, investee companies, foreign exchange bureaus and other natural and legal persons acting as intermediaries in the exchange of funds.
- f) **Suspicious Transactions and Activities** means transactions and activities which persons, having access to information and/or reasonable grounds, doubt they are being performed with the aim of money laundering.

2 Note: Reasonable grounds mean conditions and circumstances that lead a reasonable person to investigate into the origin of property and depositing or other related activities. Some of these suspicious transactions and activities are:

1. Financial transactions and activities of a customer far beyond the level determined after conducting CDD;
2. Detection of forgery, false statement and/or false report by customer before or after any transaction and also at the time of receiving basic services;
3. Transactions in which it is somehow revealed that the real beneficiary of at least one of its face transactors is another person(s);
4. Commercial transactions above the designated threshold amount that are inconsistent with customer's area of activity and with his known business goals;
5. Transactions in which the legal domicile of the transacting party has been located in highly dangerous (in terms of money laundering) regions;
6. Transactions above the designated threshold amount from which customer withdraw before or during conclusion or rescind after the conclusion with no reasonable cause;
7. Transactions that, according to the work custom of persons concerned, are complicated, unusual and with no clear economic purpose.

g) **Designated Threshold Amount** means one hundred and fifty million (150.000.000) Iranian Rials cash or its equivalent in other foreign currencies and precious commodities. The Council of Ministers may, where necessary, modify such Threshold with a view to the country's economic conditions.

h) **Cash** means any type of coins and banknotes and checks of various kinds whose transfers is not being documented and is untraceable, such as ordinary bearer checks and other checks whose bearer is a party other than the first beneficiary (such as the endorsed checks by third parties, travelers, checks, Iran checks and the like).

i) **Designated Persons** means all natural and legal persons mentioned in Sections 5 and 6 of the Act, including Central Bank of I. R. Iran (CBI), banks, financial and credit institutions, Stock Exchange, insurance companies, central insurance corporation, interest-free loan funds, foundations and charities and municipalities as well as notaries, attorneys at law, accountants, auditors, official experts of the Judiciary and legal inspectors.

- j) **Designated Non-Financial Businesses and Professions** means persons who engage in cash transactions with a high frequency and are prone to risks in terms of money laundering such as forward dealers in real estates and cars, jewelers, dealers in valuable carpets and dealers in antiques and precious cultural products.
- k) **Basic Services** means services which, according to regulations, are considered to be pre-requisite and required for providing other services by the designated persons after which customers call on the designated persons to receive frequent and continuous services. Basic services include opening accounts of any type with banks, obtaining trading codes on the stock exchange, obtaining economic codes, obtaining business cards and business licenses.
- l) **National ID of Legal Persons** means a unique number that is allocated to all legal persons, according to Resolution No. H39271 T/16169 of Apr. 18, 2009.
- m) **Designated Number of Foreign Persons** means a unique number that is allocated to all foreigners related to I.R. Iran by the National Database for Foreign Nationals, according to Resolution No. H40266T/ 16173 of Apr. 18, 2009.
- n) **Council** means Supreme Council on Anti Money Laundering.
- o) **Secretariat** means the secretariat of the Supreme Council on Anti Money Laundering as specified in article 37.
- p) **Financial Intelligence Unit (FIU)** means a centralized and independent unit that is responsible to receive, analyze and refer the reports about suspicious transactions to the competent authorities as specified in article 38.

Chapter two: Customer Identification Article 2: 4

Credit institutions, insurance companies and the stock exchange company are obligated to take action for the initial identification of the customer - as specified in Items (a) and (b) of Article (3) - and enter the customer's information in their database systems at the time of providing all kinds of services and conducting monetary and financial operations even for the amounts less than the designated threshold amount, including any type of receipt and payment, money order, drawing and payment of checks, granting facilities, issuance of various withdrawal and payment cards, issuance of letters of guarantee (LGs), purchasing and selling foreign currencies, certificates of deposit (CDs) and bonds certificates, accepting guarantee and any form of guarantor's obligations, such as signing of promissory notes, bills of exchange and letters of credit (LCs) and purchasing and selling shares. **Note:** Payment of governmental bills and municipal services bills less than the designated threshold amount do not require customer identification. **Article 3:** All designated persons shall have to make initial identification of their customers at the time of conducting any transaction, performing any activity as well as providing services above the designated threshold amount and/or whenever there is suspicion about money laundering activities in the following manner;

A- Initial identification of natural persons

1. Initial identification of natural persons shall take place on the basis of their national ID numbers and home post codes and verifying the national ID number against the original national ID number card;

Note: Where the designated persons are connected on line to the State Organization of Civil Status Registry for verifying the information, photo birth certificate or driving license or valid passport may be accepted. 5

2. As regards foreign nationals, a valid passport of the respective country having the entry visa and residence permit or identity card and/or the foreign nationals monitoring certificate are considered as acceptable identification documents.

Note: Implementation of all duties specified under the Executive By-Law of the Law of Necessary Allocation of National ID Number and Post Code for all Iranian Nationals is notwithstanding obligatory.

B- Initial identification of legal persons

1. Initial identification of a legal person shall place on the basis of its national ID and its legal domicile post code; and verification of the information shall be made against the original copy or certified copy of its national ID card (as mentioned in the By-Law of Mandatory Use of National ID of Legal Persons).

2. With respect to foreign legal person, identification shall take place by requesting valid business license in Iran and obtaining special number of foreign nationals from the National Database of Foreign Nationals Information.

3. Initial identification of natural person introduced by legal person shall take place in accordance with rules of identification of natural persons.

4. Officers in charge of initial identification of customers are obligated, whenever they have doubt as to the authenticity of the identification documents produced by customers, to clear doubts and verify the information via other databases and systems and/or by making inquiries from the competent informed authorities. Provisions of services, however, shall be stopped until the clearance of doubts.

C- Initial identification of non-banking cases

1. All persons providing services related to safe deposit box and post box in the country shall have to identify customers at the time of service provision.
2. All persons engaged in accepting or moving deposits and providing postal services to customers are obligated to identify customers in cases where the deposit and postal goods handed by customers are above the designated threshold amount.
3. All guilds that are, at the discretion of the Council, prone to be abused by money launderers are obligated to make initial identification of customers in all transactions above the designated threshold amount and register them. Such guilds are also under a duty to record the unique number of persons in their invoices.

D- Full identification of natural persons

In addition to initial identification (as stated in Item A of this Article), designated persons are, at the time of providing basic services (in particular, when opening bank account), have to take action for full identification of the customer and due diligence in the following manner:

1. Requesting a credible introduction letter signed by at least one of the recognized customers or the trusted persons or an introduction letter from one of the credit institutions licensed by the Central Bank of I.R.Iran, governmental organizations and/or official institutions and professional associations.
2. Obtaining information from customers regarding their relationships with designated persons involved and making inquiries from designated persons to verify the information submitted by customers.
3. Requesting a valid businesses license, in particular with respect to designated non-financial businesses and professionals – such as jewelers, dealers in precious materials, real estate agencies and car dealer agencies – that are more prone to money laundering activities.
4. Requesting employment certificate letter from natural persons who hold business licenses and/or from legal persons that hold national ID.
5. Obtaining information about the type and scope of customer's activity in order to estimate the customer's anticipated level of return in his area of activity.

E-Full identification of legal persons

1. Obtaining information about the type, nature and scope of customer's activity in conducting due diligence.
2. Obtaining information about articles of association, shareholders agreement, major shareholders, type of activity, financial resource providers for the legal persons, founders, directors, inspectors, auditors and their domicile addresses.
3. Obtaining information about the company compliance ratings from competent authorities (such as rating agencies, ranking by the Vice-President's Office for Planning and Strategic Supervision and/or professional institutes).

Note: If the company has not been rated, the designated person shall have to directly take action through examining the audited financial statements by one of the members of the Association of Chartered Certified Accountants (ACCA) so as to conduct customer due diligence. Where the legal person has not appointed a member of ACCA, the last valid financial statements of the company shall directly be examined.

4. Obtaining a signed letter from directors and holders of authorized signature confirming that they have submitted the latest records and information of the legal person and undertaking to immediately report any change in the foregoing items.

Note: The procedure of conducting customer due diligence by designated persons shall be established by a directive that will be prepared by the designated person and approved by the Council.

Article 4: 8

An inquiry has to be made, in case, as regards documents mentioned in Items (d) and (e) of Article 3 from relevant databases and verification has to be made about authenticity of the documents and information (including national number, national ID and the like) produced. The inquirer shall have to certify the time of receiving confirmation from the said databases along with his own identification information on the said documents. **Article 5:** In the event the customer does not produce identification documents referred to in the foregoing Articles or suspicion exists as regards money laundering activities or other related offences, designated persons shall have to avoid providing services and report the matter to FIU. **Note:** Designated persons may, according to their internal directives, accept other documents which provide the mentioned information (in particular, the required information for conducting due diligence). Designated persons may, according to their internal directives, define level of identification, provided that the required information is obtained, proportionate to the type, nature and scope of activity of the customer revealed by the due diligence study. **Article 6:** It is forbidden to provide electronic basic services without running a full identification of the customer and to conduct any electronic financial transaction that is untraceable or unnamed and to provide the related facilities. **Article 7:** Designated persons shall, at the time of providing basic services to designated non-financial businesses and professions and having obtained documents mentioned in Items (d) and (e), have to necessary pledge to observe laws and regulations on anti-money laundering. In case the designated non-financial businesses refuse to make the mentioned pledge or fail to meet their pledge, designated persons ought to decline to provide them with services.

Article 8: 9

Designated persons are not obligated to re-run a full identification of customers of those financial institutions that, at the discretion of the Secretariat, observe laws and regulation on anti-money laundering. **Article 9:** Designated persons shall have to exercise special care and control while opening accounts for and freezing accounts of foreign diplomats. **Article 10:** Designated persons shall, while providing services to persons reported by FIU, have to exercise continuous monitoring and further control. **Article 11:** Designated persons shall, at the time of providing basic services to customers, have to make them bound:

1. To submit the information requested by Designated Persons, as specified herein, and abide by anti-money laundering rules and regulations;
2. Not to permit other persons to use the basic services and if they did so, immediately report the matter to designated persons. Legal arrangements (such as power of attorney or agency) are not included, provided that the initial identification is made and information of the attorney or the agent is recorded;

Note: These obligations ought to be clearly and precisely explained to customers. Should customers do not accept or fulfill the obligations, no services has to be furnished with them. **Article 12:** Designated persons shall have to allocate a proper space in all their forms for insertion of one of the valid identity numbers (national number, national ID and designated number of foreign persons, as the case may be) and post code, and to accurately and thoroughly obtain and verify this information.

Article 13: The designated persons shall have to allocate an appropriate space in all softwares, banks and database systems in which monetary and financial operations are recorded for the insertion of one of valid numbers (national number, national ID and designated number of foreign persons, as the case may be) and also provide a search possibility on the basis of the said numbers in the softwares.

Article 14: Designated persons are obligated to send information of persons and places, that are already inserted in their database systems, to competent authorities every six months, verify the information authenticity and obtain the latest changes. If any definite and irresolvable discrepancy of information is found, the issue ought to be reported to FIU.

Article 15: Designated persons are obligated, within six months since the time of enforceability of this By-Law, to implement the foregoing duties with respect to former customers who used to receive the basic services and, on that basis, are still carrying on their activities. **Note 1:** Those former customers in whose information discrepancies are found, at the verifying stage, shall have to resolve the discrepancies within three months. If such discrepancies are not resolved, anti-money laundering units of all institutions are obligated to report the issue to FIU. **Note 2:** This Article shall not be applied to those former customers whose average size of annual activities is, according to the directive that shall be approved by the Council, insignificant. **Article 16:**

Upon enforceability of this By-Law, designated persons are obligated to post those documents and records specified by the Council to customers. As of the said date, designated persons shall use home post code of natural persons, as indicated on their the national card, and domicile post code of legal persons, as indicated on their national ID, for dispatching documents. 11

Article 17: Designated persons providing basic services are obligated to continuously update information resulted from full identification of customers, in particular as regards the following cases:

- a) Whenever, based on evidence and circumstances, it is probable that there has been major changes in the customer's situation;
- b) Whenever designated person, based on evidence and circumstances, doubt that the customer has been involved in money laundering activity and/or terrorist financing.

Chapter three: Required Structure and Reporting Method Article 18: Designated persons and also board of directors of guild unions of the designated non-financial businesses and professions are obligated to introduce one of their units, proportionate to their organizational scope, to the Secretariat as responsible for combating money laundering. The Secretariat may, if necessary, assess qualifications of the said unit members. **Note 1:** All designated persons are obligated, proportionate to the scope of their organizations, to make necessary arrangements in a way that laws and regulations relating to anti-money laundering will be certainly implemented. **Note 2:** At the time of approving qualifications of individuals, the Secretariat has to, in addition to establishing their professional competence, inquire from competent authorities about their general and security status as well. **Artic19:** Obligations of individuals or responsible units under Article (18) are as follows:

- a) To examine, scrutinize, prioritize and comment on the reports sent by the personnel of competent authorities.

- b) To promptly send such reports in the specified formats to FIU without customer's knowledge.

Note: The Council shall determine the time limit for the promptness mentioned in this Article, proportionate to the status of the designated persons, in a separate directive and officially notify them. This time limit shall not, however, exceed four working days.

c) To monitor activities of those customers receiving the basic services in order to identify suspicious transactions.

d) To provide for necessary softwares with the aim of facilitating quick access to required information in the process of implementing the Act and regulations and also systematically identify suspicious transactions.

e) To devise necessary mechanism in order to monitor and control anti-money laundering processes (processes of collecting and analyzing information, personnel recruitment, training and the like) and survey and evaluate its implementation level in the appropriate institution.

f) To provide supplementary information required by FIU and other competent authorities in combating terrorism.

g) To issue required directives as regards implementing the Act and relevant regulations upon approval by the Secretariat.

h) To inspect and monitor subordinate units so as to ensure full implementation of laws and regulations. i) To prepare statistics as for measures carried out by the relevant unit on anti-money laundering and the outcomes thereof. J) To send records of the persons specified in Note (3) of Article (4) of the Act to competent authorities under the supervision of FIU. k) To keep the records and reports of correspondence of its affiliated institution regarding issues of money laundering and terrorist financing. l) To prepare an annual program for implementing the Act by the designated persons and monthly control of level of implementation. **Article20: 13**

The monitoring institutions over the designated persons (such as the Central Bank of I.R. Iran, Central Insurance Corporation of I.R. Iran, Securities and Exchange Organization, the State Inspectorate General Organization, the State Organization of Lands and Deeds Registration, Guilds, Organization of Endowment and Charity Affairs) shall, in their normal inspection, have to declaim whether or not laws and regulations on anti-money laundering and terrorism financing are observed.

Article21: The Secretariat is obligated to examine the performance of entities referred to in Article (20) once every six months and report to the Council. **Article22:** Designated persons are obligated to submit a summary of information of users of basic services in connection with anti-money laundering to FIU, if requested by FIU, at the end of each month in the manner specified by FIU.

Note: The summary of the mentioned information has to include: first name, surname, national number and the date of providing basic services, with respect to natural person, and name and national ID or economic code, with respect to legal persons, and designated number foreign persons, with respect to foreigners. Other necessary items of information shall be notified to the designated persons upon approval by the Council. **Article23:** In order to speed up scrutiny of reports, the individual or committees in charge of combating money laundering shall have to be vested with necessary and sufficient authority and access, within the jurisdiction each one of the designated persons, so as to perform their duties. The said individual's or committees' investigation and report to competent authorities ought not to be subject to confirmation and approval by other authorities.

Article24: 14

In order to speed up access to the required information, upon request by FIU from the designated persons, one of the members of the anti-money laundering committee of the designated persons shall sit at FIU vested with the power of having access to all information of the designated person so as to provide for the initial needs of FIU. Under no circumstances the said individual shall have access to the information of FIU. **Chapter four: Mandatory Reports Article25:** All personnel of the designated persons are obligated, in case they notice suspicious transactions and activities (as specified under Item (e) of Article (1)) to report the matter, without customer's knowledge, to anti-money laundering units of the designated persons. If such a unit has not been formed [in the related designated person], the highest official of the designated person shall bear the responsibility of receiving reports and taking appropriate measures. Should the customer be informed, the informer shall be punished in accordance with [relevant] laws and regulations. **Article26:** Personnel of the designated persons are obligated to record all transactions above the designated threshold which customers have paid in cash and report the matter attached with customers' explanations to anti-money laundering units of the designated persons and, where such a unit has not been formed, to the highest official of the designated person. Anti-money laundering unit of each designated person and/or its highest official (where such a unit has not been formed) are obligated to dispatch, at the end of each week, a summary of the said forms [to FIU], in the manner specified by FIU, and keep the originals with strict confidentiality. **Note1:** Those who produce an amount of cash above of the designated threshold shall have to give explanations required in the notified forms to the designated persons.

Note2: In case of cash transfer above the designated threshold by non-banking methods such as by post, personnel of the designated persons are obligated to report the matter to anti-money- laundering units of each designated person. Where such a unit has not been 15

formed, reports ought to be sent to the highest official of the designated person to adopt appropriate measures. **Note3:** Forms, amount and method of obtaining information from customers, method and amount of initial information sent to FIU and method of storing and retrieving information by each designated person shall be determined in accordance with a directive approved by the Council.

Article27: Report on suspicious transactions and also reports which the designated persons are obligated to send shall imply no accusation against individuals and disclosing these information to FIU shall not be considered as disclosure of personal secrets and consequently no charge shall be leveled against reporters who are in charge of implementing this By-Law. **Chapter five:**

Foreign Exchange Affairs Article28: Sale and purchase of foreign currencies in any manner, including payment of local currency (**Rial**) inside and receipt of foreign currency outside the country and vice versa, are only lawful through the banking system and licensed exchange bureau observing [relevant] laws and regulations. Failing to do so, sale and purchase of foreign currencies shall be considered as unlawful and shall fall under the Law of Procedure of Applying Government Penalties Regarding Commodity and Foreign Currency Smuggle - approved in 1995 by the State Expediency Council. **Article29:**

The Central Bank of I.R. Iran is obligated to register, at the end of each day, detailed information concerning sale and purchase and transfer of foreign currencies through the banking system and 16

licensed exchange bureaus in the data bank that has been provided for such purpose and provide FIUs with the possibility of access to and search in that system. **Article30:** All designated persons, in particular banks and exchange bureaus, are obligated to send the information specified under Article 28 to the Central Bank of I.R. Iran. Failure to send the information, incomplete and incorrect sending of the information, splitting up transactions into amounts less than the designated threshold are forbidden and violator(s) shall be punished in accordance with [relevant] laws and regulations.

Article31: All designated persons are obligated to, by making necessary arrangements and measures, ensure that anti money laundering laws and regulations are being observed by their branches and agencies abroad. **Article32:** Designated persons are obligated to take necessary precautions in their transactions with countries and regions specified by the Council.

Chapter six: Record keeping

Article33: All designated persons are obligated to keep, physically or in any other legal form, documents of financial transactions and operations (active or non-active) and also documents of customer identification at the time of providing basic services, at least for five years since the end of operations. Settlement boards of designated legal persons are also obligated, in case of winding up, to keep documents up to five years since the time of financial operations.

Note1: Records and documents mentioned in this Article have to be filed and kept in a way that, in case FIU or other competent authorities request to access the information contained in the documents, access could be made within the time specified under Article 19. If requested by FIU and other competent authorities, original copies of the documents ought to 17

be provided for FIU and other competent authorities at most within one month. The designated person is responsible for searching and provision of the documents. **Note2:** The mentioned documents ought to, if necessary, make reconstruction of transactions possible. **Note3:** This Article applies with no prejudice to other laws and regulations requiring keeping the documents for a period longer than the time specified hereof. **Article34:** Designated persons are obligated to organize their financial and administrative systems in a way that all accounts and records of one person are related, identifiable and examinable. **Chapter seven: training Article35:** All designated persons are obligated, in collaboration with the Secretariat, to make necessary arrangements to hold training courses at the beginning and during the employment for their personnel. The courses have to be in line with familiarization with the Act, the By-Law, relevant directive, modus operandi of money launderers and, in particular, latest intrigues of money launderers in using services of designated persons and ways of eliminating criminal source of incomes. Employment contract of personnel of designated persons shall only be renewed on the condition that they take the said courses. Certificate of taking the said courses ought to be kept in the personnel files. **Article36:** Anti money laundering committees of designated persons are obligated, in coordination with the Secretariat and in a proper manner, to provide customers with explanation, general training and 18

information, and the public with advantages of implementing the Act and customers' obligations in this regard, and report thereon to the secretariat. **Chapter eight: Miscellaneous Article37:** The secretariat shall be set up in the Ministry of Economic Affairs and Finance and be entrusted with the following duties:

1. To take care of administrative affairs of the Council's meetings, notification and pursuance of [the Council's] resolutions;
2. To actively take part in international gatherings and explain measures taken by the country in combating money laundering;
3. To pursue implementation [of relevant laws and regulations] and obtain reports on performance of designated persons, monitor and inspect (periodically, randomly and on an ad hoc basis) designated persons to make sure that relevant by-laws and directives are implanted within the jurisdiction of designated persons and by designated non-financial businesses and professions, and prepare reports on the implementation of the Act and relevant regulations once every six months and send them to the Council.
4. To annually rate designated persons on the basis of their compliance with anti money laundering laws and regulations, and, if approved by the Council, publish the result for the public.
5. To be accountable to competent authorities, declare stances, campaign, support electronic site of the Secretariat and brief the public in coordination with competent authorities.
6. To coordinate in organizing training courses inside and outside the country and prepare and publish training brochures.
7. To prepare annual plan for implementation of the Act and regulations thereof by administrators and designated persons.

8. To provide material and spiritual support for designated persons and relevant personnel whom, in line with performing their obligations of implementing anti money laundering laws and regulations, are sued or insulted by customers.

9. To update relevant by-laws and directives through competent authorities.

10. To draft necessary directives and make comments on the proposed directives by designated persons.

11. To make known new ways and processes of money laundering and terrorism financing in the country and, if necessary, suggest amendments of by-laws and directives.

Article 38: FIU shall be set up in the Ministry of Economic Affairs and Finance to take following measures:

1. To collect and obtain information on suspicious transactions;

2. To evaluate, scrutinize and analyze the information contained in the reports and about suspicious transactions;

3. To enter and classify the information in mechanized systems;

4. To notify information of persons involved in money laundering and/or terrorist financing to designated persons to take more precaution and/or terminate providing services, if requested by competent authorities;

5. To supply analyzed information needed by judicial authorities, executive officers and institutions responsible for combating terrorism in the country, if requested by competent authorities;

6. To prepare necessary statistics of measures taken against money laundering;

7. To provide for necessary softwares and information systems;

8. To safeguard the collected information;

9. To exchange information with international organizations and institutions within the framework of [relevant] laws and regulations;

10. To study and gather international experiences;

11. To submit reports with a high probability of accuracy or when significant probability to the judiciary;

12. To follow up the sent reports with judicial authorities;

13. To prepare annual plan of FIU for the Council's approval;
14. To reply to the inquiries made by designated persons as promptly as possible;
15. To give its assessment of professional qualification of head of anti money laundering units proposed by directors of designated persons.

Article39: The secretary [of the Secretariat] shall be appointed and dismissed upon the recommendation of the Minister of Economic and Finance Affairs, approval of the Council and decree by the Minister of Economic and Finance Affairs. FIU shall perform its functions under the direction of the secretary. All posts at the Secretariat, FIU and affiliated units shall be considered as sensitive jobs and fall under relevant laws and regulations. **Article40:** Upon the recommendation of the Council, the Vice-President for Management Development and Human Capital shall, within three months, have to notify the organizational structure and powers and duties of the Secretariat and other necessary units, with a view to recruiting experienced human resources for full implementation of the Act and a minimum expansion of the administrative systems. All executive authorities are obligated to cooperate with the Ministry of Economic Affairs and Finance for the recruitment of expert and experienced human resources. **Article41:** The Council may appoint a special committee with the aim of monitoring good implementing of powers and duties of assigned to the Secretariat and FIU and submit its inspection reports to the Council. **Article42:** The Ministry of Economic Affairs and Finance is responsible for providing required facilities and necessary support for FIU and the Secretariat. **Article43:** 21

All designated persons are obligated, within three months since the notification of this By-Law, to draft necessary directives for implementing the Act and this By-Law and, in particular, directive of identifying suspicious transactions and activities, and send them to the Secretariat. The mentioned directives and their possible amendments in future ought to, within three months after being approved by the Council, be notified to all the personnel of designated persons and necessary training courses ought to be held for them. **Note:** As regards designated non-financial businesses and professions, the Ministry of Commerce shall, upon the Council's request, take measures in cooperation with chambers of commerce and cooperative and guild unions. **Article44:** Within one month after the notification of this By-Law, it shall be forbidden for designated persons (in particular credit institutions) to pay an amount of cash above the designated threshold to customers per day. The Central Bank of I.R. Iran is obligated to make necessary arrangement and provide for required mechanism to facilitate the [relevant] affairs. **Article45:** All designated persons are obligated, when issuing licenses or renewing previous ones for designated non-financial businesses and professions in various sectors, to obtain appropriate pledge from applicants for observing the Act and regulation on anti money laundering and terrorism financing and to keep the pledge in their files. Inclusion of such pledge in articles of association of legal persons, in cases declared by the Council, may be mandatory. **Article46:** Where necessary, the Council shall approve the standards and directives necessary for a good implementation of this By-Law and notify them, through the Secretariat, to appropriate bodies, authorities and persons and to relevant guilds. **Article47:** 22

All designated persons are obligated to provide FIU with the requested information, in the manner determined by FIU, as regards combating money laundering for performing the assigned obligations.

Article48: In order to facilitate access to customers information and verification of authenticity of documents and information produced by individuals, the Central Bank of I.R. Iran is obligated to establish a customer database system that include the following information:

- a) Registered information and financial statements of customers (natural and legal);
- b) The information of account numbers and facilities granted to the accounts as well as maturity and arrears cases (as specified under the directive of drafting forms of granting facilities and banking obligations of the Central Bank of I.R. Iran)
- c) Information on dishonored checks;
- d) Information relating to customers tax return;
- e) Information about convictions and protested promissory notes of natural and legal persons whose names have been registered with the system;
- f) Birth certificate information submitted by customers.

Article49: The Vice-president for planning and strategic supervision shall have to provide the budget required for implementing this By-Law up to ten billion (10,000,000,000) Rials, for the first year, out of credits determined under the Budget Act and allocate the amounts required, in subsequent years, in the State Budget Bill. This By-Law was approved by his Excellency the President on Dec. 2, 2009. The first Vice-president: Mohammadreza Rahimi