

## **The law of Combating Financing of Terrorism (CFT law)**

**Article 1.** Intentional providing and collecting funds and assets whether with legitimate or illegitimate origin, or using all or part of the financial source that is the proceeds of currency smuggling, donations, money transfer, buying and selling financial and credit instruments, opening an account directly or indirectly, credit financing, or any economic activity by person or others intended for transferring funds to terrorist individuals or organizations which commit one of the following acts are criminalized as terrorist financing:

**a.** Committing or threatening to commit any act of violence such as murder, assassination, act of violence resulting in severe physical injury, stealing, illegal detention and kidnapping or deliberate act of violence against persons with legal immunity or endangering their life or freedom with the aim of influencing policies, decisions and measures of Islamic Republic of Iran, other countries or international organizations with representation in Iran

**b.** Committing following acts with the intentions in paragraph a

1- Vandalizing public governmental and non-governmental properties and facilities

2- Severe damage to environment such as water poisoning and burning forests

3- Illegal Production, holding, acquiring, transferring, transporting, maintaining, developing or stockpiling, theft, fraudulent obtaining, and smuggling of pesticides, nuclear, chemical, micro logical and biological elements and materials

4- Illegal producing, preparing, buying and selling, using and smuggling explosives, weapons and ammunition

**c.** Committing following acts regardless of motives and the outcome

1- Dangerous acts against safety of aircraft or aviation

2- Seizure of an in-flight aircraft and unlawful control of it.

3-Use of violence against passenger(s) or crewmembers of an in-flight aircraft or endangering properties therein.

4-Any production, ownership, acquisition, transportation, bearing, keeping, development or accumulation, enrichment and unlawful explosion, robbery, obtaining by deception, smuggling an amount of chemical elements or nuclear materials which cannot be proved to be used for medical, scientific and peaceful purposes.

5-Any production, ownership, acquisition, transportation, robbery, obtaining by deception, smuggling, transportation, keeping, development or accumulation, using or threatening to use nuclear, chemical, biological weaponry.

6-Maritime piracy, unlawful seizure of a vessel or unlawful control of it or endangering security of the vessel through providing inaccurate information, destruction or damaging vessel, crewmembers or passengers.

7-Unlawful seizure or control of offshore platforms and facilities, violence against people therein, and any action done to destruct or damage these platforms and facilities for the purpose of endangering security of the region.

8-Bomb blast in public areas, government facilities, public transportation systems or infrastructures.

**d-** Criminal acts which are considered as terrorist crime as per internal or international conventions, in case that the Islamic republic of Iran has joined the convention.

Note 1: In case of the reciprocal actions by any country, these regulations are implemented to prosecute financiers of terrorist attacks against those countries, regardless of location of the crime, nationality or residence of criminals.

Note2: Actions done by people, nations or groups or liberation organizations to encounter some affairs such as domination, foreign occupation, colonialism and racism are not subjected to the terrorist actions according to these regulations.

It is the duty of supreme national security to determine which groups or organizations are included in.

**Article 2:** if financial terrorism is considered as a combat or "afsad fi al-arz" criminals will be sentenced to punish, otherwise they will be sentenced to 2 to 5

years in prison or cash penalty equivalent of 2 or 5 fold of financed funds, in addition to confiscation of their property (defined on article) by government.

**Article 3:** all the people who know about crimes which are explained under these regulations must inform the case to administration competent, police, security or judicial authorities. Otherwise they will be encountered with the 7<sup>th</sup> grade punishment.

**Article 4:** if the crime occurred, it will be acted according to the Islamic penalty regulation of Iran, Dated on 2013/04/21

**Article 5:** judicial officers and enforcement officials must act under observation, training and orders of judicial authority as below:

- a. recognition, discovery and freezing used or allocated funds for financing terrorism and their proceeds.
- b. recognition, and confiscation of properties on the subject of above mentioned crime inserted in these regulations which fully or partially have been changed.
- c. confiscation of properties and proceeds on the subject of crime which have been merged with the legal properties as long as the estimated amount of properties can be confiscated.

**Article 6:** the court must sentence criminals at least to 2 cases of supplementary punishment of deprivation of social rights in addition to specified punishments on the subject of article 2.

**Article 7** – Heading, organizing or directing two or more individuals in perpetration of crimes subject to this law including their foremanship or assistance in perpetration of the crime, as well as organized perpetration of mentioned crimes, are considered as aggravating causes of punishment and the perpetrator is subject to the article (130) of the Islamic punishment rules.

**Article 8** – Any individual being a member of the groups financially supporting terrorism who has an effective cooperation in recognition of partners or assistants, achievement of proofs or detection of properties and objects obtained due to crime or being used for perpetration of the crime, before being prosecuted, would be exempted from punishment and if commencing to cooperate governmental officials effectively after the begin of prosecution, would

be deemed as mitigation causes and as per relative rules, his/her punishment shall be mitigated.

Note: In case of an individual's perpetrating another crime, exemption or mitigation subject to this article shall not prevent the enforcement of punishment for that crime.

**Article 9** –Investigation of crimes subject to this law is within the authority of criminal courts of a province center.

**Article 10** –Crimes subject to this law are not included in principle one hundred sixty eight (168) of Islamic Republic of Iran's Constitutional Law.

**Article 11** –In cases which due to binding international treaties for Islamic republic of Iran, investigation of crimes subject to this law are within the authority of any country being a member of treaty, while the defendant is found in Iran, Iran courts have the authority of investigation as per this law.

**Article 12** –Whence crimes subject to this law are perpetrated on abroad and against Islamic Republic of Iran or against international organizations domiciled in the district of the Islamic Republic of Iran, their investigation dependent on the case is within the authority of Criminal Court No. 1 of Tehran.

**Article 13** –All individuals and institutions and organizations included in Money Laundering Law approved on 2008/01/22 are bound to do the following acts for prevention of financing terrorism:

- a. Recognizing the customers while offering banking services and monetary and financial transactions such as all kinds of receipt and payment of proceeds , banking drafts , issuance and disbursement of checks , facilities , issuing debit and credit card , issuing letter of guarantee , dealing in foreign exchange , bonds , deposits, accepting all kinds of guarantees and guarantor 's commitments such as signing promissory notes , bill of exchange , letter of credits and buying and selling shares .
- b. Retaining the documentation regarding transaction records and financial activities whether active or inactive and also the documentation regarding customers' identification records at least for five years.

**Article 14**- All individuals subjected to anti money laundering regulations are required to report the suspicious transactions regarding terrorism financing to supreme council of anti money laundering as per article 4 .

The above mentioned council is required to report the suspicious transactions to authorities for legal procedures.

Note 1: In case, any individual who fails to perform the above mentioned duties by intentionally and knowingly or for helping for facilitating the crime is considered accomplice. But, in case, such crimes which are committed irresponsibly or negligently the perpetrator is sentenced to disciplinary and official punishments.

Note 2: Those who in line with the implementation of this article will attempt to send a report to competent authorities are not subject to the punishment regarding disclosure of secrets.

**Article 15-** If terrorism financing results in money laundry activities, the one who commits such crime will be condemned to sever punishments

**Article 16-** In accordance with its international commitments regarding information exchange or judicial issues, the government of I.R. of Iran will be permitted to co-operate with other countries with the observance of principle 77 of I.R. of Iran's constitution.

**Article 17-**The executive by law of this fact will be prepared in six month after it was advised by the ministers of Economy, Finance, Justice and Information, then it will be confirmed by the head of Judiciary, and finally, it will be approved by the board of the ministers.

The mentioned Act, includes 17 Articles and 5 Notes, and it was approved at the public meeting held on Tuesday in 2016/02/02 in Parliament, then in 2016/03/03 it was confirmed by the Guardian council.

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