



## Guidance on Implementing Targeted Financial Sanctions and Combating Sanctions Evasion

August 2025



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## Guidance on Implementing Targeted Financial Sanctions and Combating Sanctions Evasion

**Technical Committee for Targeted Financial  
Sanctions**

**Technical Assistance and Typologies  
Working Group**

**Middle East and North Africa Financial  
Action Task Force**

**August 2025**

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## 1. Background:

Based on the plan adopted by the Plenary on the Technical Committee's 2024-2025 work plan for TFS implementation, and in line with its first objective, "sharing best practices and exchanging expertise among Member States on TFS implementation and sanctions evasion detection," which includes developing guidance on best practices in detecting sanctions evasion based on a seminar where the latest relevant studies and best practices are shared, the UAE, as Chair of the Committee, hosted a seminar on the effective implementation of TFS and combating sanctions evasion on November 4-6, 2024.

### Seminar proceedings:

During the seminar, the MENAFATF Secretariat divided participants into two groups:

Group One focusing on effective tools to implement TFS, led by Jordan and the UAE, with Saudi Arabia, Oman, Sudan, and Palestine as members.

Group Two focusing on combating sanctions evasion, led by Morocco and the UAE, with Saudi Arabia, Sudan, Iraq, Palestine, Qatar, and Kuwait as members.

Under the leadership of H.E. Talal Al-Tunaiji, Chair of the Technical Committee for the Implementation of Targeted Financial Sanctions and Head of the Technical Assistance and Applications Unit at the Secretariat of the Middle East and North Africa Financial Action Task Force (MENAFATF),

The working team and project experts included: Samah Ibrahim, Talal Al-Nsour from the Hashemite Kingdom of Jordan, Ahmed El Falasi from United Arab Emirates, Ahmed Al-Abbad, Mohammed Al-Qutami from the Kingdom of Bahrain, Sulaiman Al-Shehri, Sultan Al-Hejaili from the Kingdom of Saudi Arabia, Issam Al-Deen Omais, Moatasem Mohamed, Talha Abdulrahman from the Republic of Sudan, Lama Qassem from the Syrian Arab Republic, Asaad Mahwas from the Republic of Iraq, Younis Al-Salhi and Sultan Al-Balushi from the Sultanate of Oman, Samah Jarrar and Rawaa Taneeb from the State of Palestine, Khaled Al-Mohammadi from the State of Qatar, Fahad Al-Anjari, Nouf Al-Masaylem, and Sarah Al-Saleh from the State of Kuwait, Abdulmuhammad Al-Azrouq from the State of Libya, Amr Rashed and Wael Rafik from the Arab Republic of Egypt, Mohammed Amin and Najwa Benmadani from the Kingdom of Morocco, Raed El Rawashdah and other experts from the Executive Office for Counter Proliferation and Sanctions, leading by Sherif Hossam El-Din El-Areny from the Technical Assistance and Typologies Department, representing the Secretariat of the Middle East and North Africa Financial Action Task Force (MENAFATF).

## Report Timeline

The project was implemented over specific time phases during the period from **November 2024 to August 2025**, and included the following key stages:

- **November 2024:** Division of the team and allocation of work tasks
- **February – March 2025:** Collection of data and case studies by the experts
- **May 2025:** Preparation of the first draft of the guidance document
- **June – July 2025:** Review of the report and receipt of comments from member countries
- **August 2025:** Circulation and publication of the guidance document

The two groups prepared an initial draft of a guide on best practices for the effective implementation of TFS and combating sanctions evasion, based on country experiences as reviewed during the seminar and case studies on TF and arms proliferation.

The MENAFATF Secretariat has worked on the document following an initial draft that was developed during the seminar. This preliminary version was shared with the technical experts and went through several rounds of review and input until it was finalized by them. After addressing the Secretariat's comments, the document has now reached a final version that the Secretariat can present to member countries for adoption and subsequent dissemination to ensure its effective use.

## 2. Introduction

Countries implement targeted financial sanctions (TFS) as a regulatory measure to prevent the misuse of financial systems for terrorism financing (TF) and proliferation financing (PF) activities. TFS are typically imposed by governments and international bodies to freeze assets, prohibit transactions, and block access to the financial systems by individuals, entities, and groups designated on UN or national lists. TFS help in ensuring that financial resources are not used to support illicit activities.

The Financial Action Task Force (FATF) has established standards that countries must reflect in their national frameworks and effectively implement, particularly R1, R2, R6, and R7, as well as IO10 and IO11.

The FATF also emphasized the need to assess TF and PF risks and develop ways to protect countries against such crimes. It issued a manual to assist countries in implementing the measures required to ensure compliance and promote effectiveness and sustainability.

In this context, members need to have an effective mechanism to freeze the funds and other assets of targeted individuals and entities immediately and without delay, to ensure they do not have access to resources that could be used for TF or PF purposes. This is achieved through the strict implementation of UNSCRs, particularly those related to TF, such as Resolutions 1267, 1988, and 1373 (on local lists), and PF such as UNSCRs 1718 and 2231. We note that, as of October 18, 2023, the TFS set out in UNSCR 2231 on Iran were terminated. Regardless of the updates to the resolution, the FATF continues to consider Iran a high-risk jurisdiction and it remains blacklisted.

To facilitate compliance, competent authorities must issue clear instructions and guidance to financial institutions (FIs), designated non-financial businesses and professions (DNFBPs), and virtual asset service providers (VASPs) to ensure effective implementation of TFS requirements. FIs, DNFBPs, and VASPs must adopt a risk-based approach, requiring them to conduct due diligence to assess customers and transactions for any TF or PF risks. This would enhance financial security and reduce the likelihood of misuse of the financial system.

These targeted measures also require FIs, DNFBPs, and VASPs to prohibit the provision of funds or economic resources, directly or indirectly, to designated individuals or entities, preventing them from benefiting from any resources that could contribute to their illicit activities. In addition, FIs, DNFBPs, and VASPs must continuously monitor transactions, report suspicious activities to relevant regulatory authorities, and ensure accurate records are maintained for review.

Member States are required to impose appropriate sanctions on FIs, DNFBPs, and VASPs that violate procedures and fail to comply with TFS requirements, thus encouraging compliance and reducing the risk of financial systems being misused to finance illicit activities.

Therefore, it was proposed to prepare a guide that includes best practices for effective TFS implementation mechanisms, policies to combat sanctions evasion, and main challenges. The document will serve as a reference for member states to develop their electronic systems for implementing TFS requirements when dealing with designated individuals and entities, and to enhance jurisdictions' capabilities to identify sanctions evasion patterns and methods.

### **3. Objectives**

This document aims to achieve a set of strategic objectives that enhance the effective implementation of TFS immediately and without delay, and identify patterns of sanctions evasion, including the following:

- Ensuring the effective implementation of TFS requirements and combating sanctions evasion.
- Informing member states of the electronic tools and best practices used by many member states to ensure the freezing of funds and other assets belonging to designated individuals and entities.
- Providing an updated vision of TFS evasion methods and techniques and how to combat them, in accordance with best practices that can be used by member states.
- Preparing a list of red flags for early detection of TFS evasion.
- Strengthening and building the capacity of competent authorities to combat TFS evasion in a timely manner.
- Raising awareness among the public and private sectors through social media, media programs, and awareness campaigns on the methods used to evade TFS.

## Implementing TFS Requirements

### 4. Current Implementation Mechanisms

In implementing TFS, jurisdictions rely on a set of legal and technical mechanisms aimed at effectively freezing the funds, assets, and economic resources of designated individuals and entities without delay. These mechanisms include the following elements:

- **Legislation and Legal Procedures:** A competent authority must be responsible for implementing Security Council resolutions pursuant to legislation or law. This includes proposing the names of individuals and entities to the Security Council Committees on terrorism, TF, and the PF, as well as disseminating the resolutions issued by these committees, preparing the national list for terrorism, TF, and PF, and following up on the immediate and effective implementation of TFS without delay.
- **Notification Mechanism and Dissemination of Listings and Updates:** States must provide a mechanism for disseminating relevant Security Council sanctions lists, their national list, and any updates thereto. The adopted mechanism must be fast and accurate and must provide sufficient data and information to allow relevant parties to effectively implement their obligations without delay (the mechanism may be electronic, such as a mobile application, email, or the goAML system.) In addition, a mechanism must be adopted to facilitate the work of relevant parties by providing feedback on the actions taken to implement UNSCRs to the competent authority.



- **Regulatory and supervisory measures:** Develop effective supervisory mechanisms to ensure that FIs, DNFBPs and VASPs comply with TFS. Regulatory and supervisory authorities should conduct specialized on-site and off-site inspections on the implementation of TFS and carry out periodic assessments of FIs, DNFBPs and VASPs' compliance.
- **Awareness and training:** Develop training plans to ensure understanding among all relevant parties of TFS implementation, as well as FIs, DNFBPs and VASPs. Guidelines should be issued containing detailed guidance on how to implement the obligations contained in UNSCRs or FATF international standards.
- **Understanding and mitigating risks:** Jurisdictions are urged to prepare an NRA to identify current and future threats, vulnerabilities, and residual risks related to TF and PF, and to develop plans to address and mitigate such risks. Supervisory authorities overseeing FIs, DNFBPs, VASPs, and NPOs should also prepare SRAs aligned with the NRA. FIs, DNFBPs, and VASPs should conduct a self risk assessment at the institutional level to identify and mitigate threats, vulnerabilities, and residual risks, in line with the NRA and SRAs.

## 5. Challenges Facing Countries in Implementing TFS

Countries generally face several challenges in implementing TFS. This has an impact on effective compliance and comprehensive implementation. The most prominent challenges include:

### **Different legal systems and the difficulty of unifying legislation.**

- Differences in national legislation: The differences in legal frameworks between jurisdictions impede a consistent implementation of TFS, allowing some individuals or entities to evade sanctions by exploiting legal and regulatory gaps in certain jurisdictions.
- Investigating changing legal requirements: FIs in jurisdictions with changing legislation are forced to keep up with continuous updates, which increases administrative burdens and the risk of non-compliance.

### **Limited technical, human, and financial resources**

- Lack of resources: Some countries and institutions lack the technical and human resources necessary to develop compliance systems, limiting their ability to track suspicious financial transactions and freeze funds, assets, and economic resources quickly and effectively.

- High cost of advanced technologies: Modern technologies such as artificial intelligence and big data analytics require significant financial investments, posing a challenge for countries and institutions with limited resources.

#### **Weak international cooperation and information sharing**

- Poor international coordination: The lack of cooperation and information sharing between jurisdictions is a major obstacle, as countries need to exchange data quickly and effectively to identify suspicious financial activities and prevent evasion.
- Delays in information sharing: Delays in information sharing between jurisdictions weaken the effectiveness of TFS, giving targeted individuals and entities the opportunity to move funds, assets, and economic resources and avoid having them frozen.

#### **Compliance Challenges in the Private Sector**

- Operational Challenges: The private sector faces challenges in implementing compliance requirements due to the increasing complexity and high costs of updating its systems to keep pace with sanctions.
- Dual Responsibility: The private sector is forced to comply with both local and international laws, which increases challenges and complicates compliance processes.
- Lack of Awareness: The private sector faces challenges in implementing its obligations under national legislation sometimes due to a lack of knowledge and understanding in this regard, indicating a continuing need for training, participation in workshops, and the issuance of a manual to allow all FIs, DNFBPs, and VASPs to meet their obligations and stay abreast of relevant updates.

#### **Reliance on outdated and ineffective technologies**

- Outdated systems: Some jurisdictions and institutions rely on outdated technology systems that are ineffective in detecting suspicious transactions, increasing the chances of evasion.
- Weak cybersecurity: Some outdated systems expose institutions to cyberattack risk, which can lead to the leakage of sensitive information and increase the chances of sanctions evasion.

## **6. Best Practices for Effective Implementation of TFS**

The technical team identified the following best practices to ensure effective implementation of TFS:

- Specialized committees and authorities responsible for the immediate implementation of UNSCRs that include all government sectors which may play a role in the immediate freezing of designated individuals and entities without delay.

Jurisdiction	Examples of best practices in identifying committees and competent authorities concerned with implementation
<b>Hashemite Kingdom of Jordan</b>	<p><b><u>Members of the relevant technical committee in the Hashemite Kingdom of Jordan:</u></b></p> <p>Anti Money Laundering and Counter Terrorist Financing Unit (Committee Chair)</p> <p>Ministry of Foreign Affairs and Expatriates (Vice Chair)</p> <p>Ministry of Interior</p> <p>Ministry of Justice</p> <p>Jordanian General Intelligence Department</p> <p>Public Security Directorate</p> <p>Central Bank of Jordan</p> <p>General Customs Department</p> <p>Department of Lands and Survey</p> <p>Companies Control Department</p> <p>Securities Commission</p> <p>Ministry of Industry, Trade, and Supply</p> <p>Register of Associations</p>
<b>The State of Palestine</b>	<p>The Committee for the Implementation of Security Council Resolutions, comprising:</p> <ul style="list-style-type: none"> <li>a) The Attorney General, Chairperson.</li> <li>b) The Undersecretary of the Ministry of Foreign Affairs and Expatriates, Member.</li> <li>a) The Undersecretary of the Ministry of Justice, Member.</li> <li>b) The Undersecretary of the Ministry of Interior, Member.</li> <li>c) The Undersecretary of the Ministry of Finance, Member.</li> <li>d) The Registrar of Companies, Member.</li> <li>e) The Director of the Financial Follow-up Unit, Member.</li> </ul>

	<p>f) The Director of Supervision at the Palestine Monetary Authority, Member.</p> <p>g) The Director General of the Capital Market Authority, Member.</p> <p>h) The Head of the Land Authority, Member.</p> <p>i) A Representative of the General Intelligence Service, Member.</p> <p>j) A Representative of the Preventive Security Service, Member.</p>
<b>The Kingdom of Morocco</b>	<p><b><u>The National Committee for Implementing Sanctions Provisions in UNSCRs on Terrorism, Arms Proliferation, TF and PF in the Kingdom of Morocco:</u></b></p> <p>The National Committee for Implementing Sanctions Provisions in UNSCRs on Terrorism, Arms Proliferation, TF and PF is the national mechanism entrusted with implementing the sanctions set out in relevant UNSCRs.</p> <p>It was established pursuant to Article 32 of Law No. 43.05 on Combating Money Laundering, as amended and supplemented by Law No. 12-18 promulgated by Royal Decree No. 56-21-1 of Shawwal 27, 1442 (June 8, 2021). Its composition and operational procedures were determined by Decree No. 484.21.2 of Dhu al-Hijjah 23, 1442 (August 3, 2021). The establishment of this Committee is part of the Kingdom's commitment to the basic and strategic rules set forth in relevant international standards, which require jurisdictions to have effective procedures and mechanisms in place to enforce UNSCRs and TFS, particularly those related to terrorism, the proliferation of weapons of mass destruction, TF and PF.</p> <p>The Ministry of Justice or its representative will chair the Committee, which will consist of the following members:</p> <ul style="list-style-type: none"> <li>- A representative of the Ministry of Interior;</li> <li>- A representative of the Ministry of Justice;</li> <li>- A representative of the Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates</li> <li>- A representative of the Ministry of Economy, Finance, and Administrative Reform;</li> <li>- A representative of the Ministry Delegated by the Prime Minister in charge of National Defense Administration;</li> </ul>

	<ul style="list-style-type: none"> <li>- A representative of the Prosecutor General;</li> <li>- A representative of Bank Al-Maghrib;</li> <li>- A representative of the Moroccan Capital Market Authority;</li> <li>- A representative of the Insurance and Social Security Supervisory Authority (ACAPS);</li> <li>- A representative of the Foreign Exchange Office;</li> <li>- A representative of the National Financial Information Authority;</li> <li>- A representative of the Administration if Customs and Indirect Tax;</li> <li>- A representative of the General Directorate of National Security;</li> <li>- A representative of the General Directorate for Territorial Surveillance;</li> <li>- A representative of the Royal Gendarmerie High Command;</li> <li>- A representative of the General Directorate of Studies and Documentation;</li> <li>- A representative of the National Agency for Land Conservation, Cadastre, and Cartography.</li> </ul> <p>- Committee members shall be appointed by the departments, institutions, and bodies to which they belong which shall also appoint an alternate member to replace the official member, when necessary. The official members of the Committee or their alternates, where necessary, shall participate in the Committee's meetings in person and on a regular basis.</p> <p>The Chairperson of the Committee may, when examining a particular case, invite any person or entity whose assistance they deem useful to participate in the Committee's work in an advisory capacity.</p>
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<b>The Republic of Iraq</b>	<p><b><u>Members of the Terrorist Asset Freeze Committee in the Republic of Iraq:</u></b></p> <p>One: Deputy Governor of the Central Bank of Iraq (Chairperson of the Committee)</p> <p>Two: Director General of the Anti-Money Laundering and Combating the Financing of Terrorism Office (Vice Chairperson)</p> <p>Three: A representative of the following entities, who is at least at the Director General level or Brigadier General for military personnel:</p> <ul style="list-style-type: none"> <li>a) Ministry of Finance</li> <li>b) Ministry of Interior</li> <li>c) Ministry of Foreign Affairs</li> <li>d) Ministry of Justice</li> <li>e) Ministry of Trade</li> <li>f) Ministry of Communications</li> <li>g) Ministry of Science and Technology</li> <li>h) Commission of Integrity</li> <li>i) Counter-Terrorism Service</li> <li>j) National Intelligence Service</li> </ul> <p><b><u>Entities responsible for implementation under Terrorist Asset Freezing Regulation No. (6 of 2023):</u></b></p> <p>Article (1/Tenth) defines these entities, including (security, administrative, supervisory, and regulatory agencies, FIs, DNFBPs, NPOs, and any person present in the Republic of Iraq).</p>
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- Mechanisms for the committees and competent authorities responsible for the immediate implementation of UNSCRs and the most important resolutions:

Jurisdiction	Best practices in ensuring compliance with UN resolutions
UAE	As per Article 11 of Cabinet Resolution No. 74 of 2020 concerning the UAE List of Terrorists and Implementation of UNSCRs on the Prevention and Suppression of Terrorism and its Financing and the Prevention and Suppression of WMD Proliferation and its Financing, and related resolutions, the

	<p>Executive Office for Control and Non-Proliferation (EOCN) is the national coordinator in charge of taking necessary measures to implement UNSCRs, particularly those related to the prevention and suppression of terrorism and its financing and the prevention, suppression and halting of WMD proliferation and its financing, without delay and without prior notice to the listed party.</p> <p>The EOCN also circulates the updated Sanctions List and domestic lists on its website without delay. The EOCN is an independent body affiliated with the Cabinet.</p>
<b>The Sultanate of Oman</b>	<ul style="list-style-type: none"> <li>- Establishing a specialized committee, the "National Counter-Terrorism Committee," whose mandate includes implementing UNSCRs on TFS.</li> <li>-The AML/CFT Law No. 30/2016 in Oman stipulates that the National Counter-Terrorism Committee (NCTC) shall establish the necessary procedures to implement UNSCRs on the prevention and suppression of terrorism and its financing and the prevention, suppression and halting of WMD proliferation and its financing.</li> <li>- The NCTC issued several decisions regulating the implementation of TFS, the most recent of which was Resolution No. 1/2023.</li> <li>- The NCTC signed cooperation programs with supervisory authorities to ensure the implementation of TFS without delay.</li> <li>- The NCTC established a website and issued a guide to assist reporting entities and supervisory authorities in implementing TFS without delay.</li> <li>- The NCTC issued "Typologies Papers" to assist reporting entities and supervisory authorities in understanding modern methods of evading TFS.</li> </ul>
<b>The Republic of Iraq</b>	<p>UNSCRs enter into force in the Republic of Iraq upon publication by the UNSC. Iraq has adopted a mechanism that sends immediate electronic notifications to relevant parties, FIs, and DNFBPs without delay. It also sends written notifications to the relevant implementing parties as a complementary measure and proactively informs the private sector of ongoing updates to the sanctions lists in a timely manner by sending electronic notifications. Most reporting entities rely on electronic systems</p>

	that provide direct access to the United Nations website to implement their obligations.
<b>The State of Qatar</b>	<p>The Public Prosecution has established a special office for the implementation of TFS. It is responsible for many related tasks and responsibilities, including:</p> <ol style="list-style-type: none"> <li>1. Preparing, amending, and extending draft decisions to list individuals, and following up on their implementation, as well as issuing decisions on basic or extraordinary expenses.</li> <li>2. Coordinating with the National Counter-Terrorism Committee (NCTC) on proposals to list individuals or entities, requests for designation on regional lists, and UN designation decisions.</li> <li>3. Informing the National Committee of decisions issued by the Public Prosecutor on listing, freezing, or delisting, and receiving the Committee's reports on the actions taken.</li> <li>4. Coordinating with the Ministry of Foreign Affairs and the National Committee regarding UN designation decisions or designation on other jurisdictions' lists.</li> </ol> <p>And other related responsibilities.</p>
<b>The State of Palestine</b>	<p>According to Article 98 of the AML/CFT Law No. (39) of 2022, the Committee for the Implementation of UNSCRs is responsible for following up on the immediate implementation of UNSCRs on combating terrorism and its financing and the prevention, suppression and halting of WMD proliferation and its financing, issued under Chapter VII of the United Nations Charter. According to Article 3/1 of the Decree on the Implementation of UNSCRs No. 14 of 2022, the Committee for the Implementation of UNSCRs is responsible for implementing UNSCRs relevant to its work. Article 6 of the Decree stipulates that the Committee is responsible for publishing amendments to the UN list, including any addition, deletion or change to the designation information on the Committee's website, and circulating them to the competent supervisory authorities, FIs and DNFBPs within (16) hours of their publishing on the relevant UN website.</p>
<b>The Hashemite Kingdom of Jordan</b>	<p>In accordance with Article (41) of the AML/CFT Law, and upon the recommendation of the National AML/CFT Committee, the Prime Minister issued a decision to establish a Technical Committee for the Implementation of UNSCRs on terrorism and its financing and the proliferation of WMDs. The Committee is</p>



	<p>chaired by the Head of the Anti-Money Laundering and Terrorism Financing Unit.</p> <p>The National AML/CFT Committee issued instructions for implementing UNSCRs related to terrorism and its financing and the proliferation of WMDs. These instructions detailed the working mechanism of the Technical Committee and the obligations of all reporting parties, competent authorities, and other entities. The Technical Committee also issued a guide for implementing these instructions.</p> <p>The Anti-Money Laundering and Counter-Terrorism Financing Unit, as the head of the Technical Committee, serves as the national coordinator among all supervisors, local licensing authorities, and LEAs in the Kingdom to implement TFS. It is responsible for publishing the sanctions lists, the national list, and any amendments thereto without delay on its website and application, as well as other related tasks.</p> <p>The Technical Committee for the Implementation of UNSCRs is also responsible for preparing and keeping a national list, submitting requests for designation on international and other countries' lists, and other related tasks and responsibilities.</p> <p>The Chairman of the Technical Committee (Head of the Anti-Money Laundering and Counter-Terrorism Financing Unit) has established an executive secretariat supported by technical staff to facilitate its work and coordination. This includes handling inquiries from reporting entities, following up on the publication of the sanctions lists and the national list, and making the necessary amendments to its website immediately upon issuance of the decision to list or amend the national list (within eight hours of the decision). This includes following up on and publishing these lists on the application. Furthermore, the Committee sends and receives correspondence and requests related to the implementation of these instructions from national and foreign entities and follows up on correspondence sent via the Ministry of Foreign Affairs and Expatriates to the United Nations.</p>
<b>The Kingdom of Morocco</b>	<p>In accordance with Article 32 of Law No. 43.05 on Combating Money Laundering, the National Committee was established to implement the sanctions stipulated in UNSCRs on terrorism, the proliferation of WMDs, TF and PF.</p> <p>The Committee ensures the implementation of TFS set out in UNSCRs on terrorism, the proliferation of WMDs, TF and PF. To this end, it undertakes the following:</p> <ul style="list-style-type: none"> <li>- Immediately freeze, without prior notice, the assets of natural or legal persons, entities, organizations, gangs, or groups</li> </ul>

designated on the lists attached to the UNSCRs on terrorism, the proliferation of WMDs, TF and PF;

- Identify natural or legal persons, entities, organizations, gangs, or groups that meet the designation requirements.

Furthermore, the Committee may, by a reasoned decision, immediately freeze and prohibit the provision of any property, funds, other assets, economic resources, financial services, or other related services of any kind, directly or indirectly, in whole or in partnership with others, to natural or legal persons, entities, organizations, gangs, or groups included in these lists. The Committee may also decide to impose a travel ban pending delisting.

Based on serious and reasonable grounds, the Committee shall list the natural or legal persons, entities, organizations, gangs, or groups referred to above on a local list, without prior notice.

The National Committee shall, based on the information available to it at the time of listing, inform the party concerned, without delay, of the action taken against them, accompanied by a letter of notification, an explanatory summary of the reasons for the designation and its consequences, as well as their rights in this regard.

The freezing, transaction ban, and travel ban procedures remain in effect for the duration of the designation and shall expire upon delisting.

The Committee may request and obtain the documents and information necessary to carry out its duties from reporting persons, supervisors and regulatory authorities, public administrations and institutions, and other legal persons under public or private law.

The Committee publishes its decisions in a concise form in the Official Gazette and on its website, except in cases where they affect national defense, the internal or external security of the Kingdom, or the confidentiality of the proceedings conducted during an investigation, in accordance with Article 15 of Law No. 22.01 on Criminal Procedure.

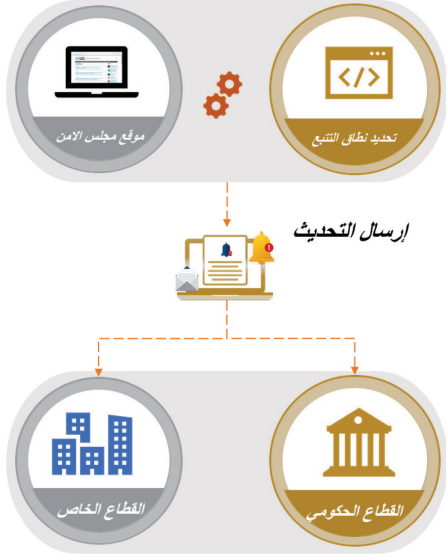
The Committee's decisions enter into force immediately upon their publication on its website.

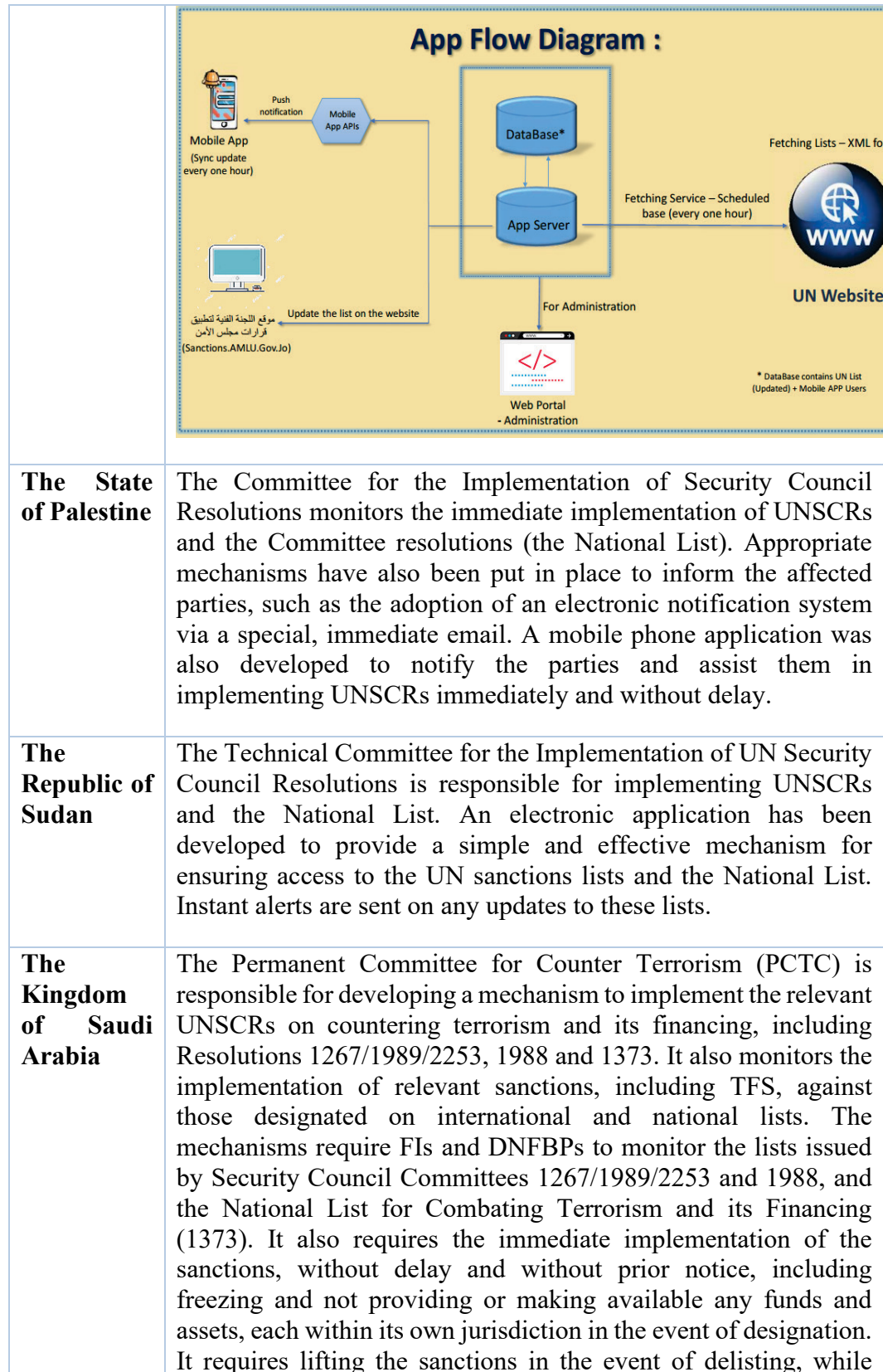
	<p>In addition to the Committee's powers relating to the implementation of TFS stipulated in UNSCRs on terrorism, the proliferation of WMD, TF and PF, the Committee shall propose measures to the government to adopt stricter action towards high-risk jurisdictions, at the request of the FATF or any other competent international body.</p> <p>The Committee's decisions to list a party on the local list and the resulting effects may be appealed before the Administrative Court in Rabat.</p> <p>Without prejudice to the more severe criminal penalties and the penalties stipulated in the legislation applicable to designated persons, their managers, and their agents, the Committee shall impose financial penalties on any natural or legal person who fails to comply with the obligations set forth in this Article.</p> <p>The effects of the freeze, prohibition on transactions, and travel ban shall extend to any legal person owned or controlled, directly or indirectly, by designated persons, as well as those working for them, acting on their behalf, or at their direction.</p> <p>In all cases, the rights of bona fide third parties must be respected when implementing this measure.</p>
<b>The Syrian Arab Republic</b>	<p>In accordance with Article 2 of Cabinet Resolution No. 851 of 2014 on the implementation of Article 10 Paragraph (c) of Legislative Decree No. 33 of 2005 and its amendments, a national committee called the Committee for the Freezing of Funds of Persons and Entities Designated Pursuant to UNSCRs 1267 (1999) and 1373 (2001) and other relevant resolutions was established. The Committee is linked to the AML/CFT Commission and is affiliated with the latter's Management Committee. The Committee consists of representatives at the level of Director or above or equivalent, of the following:</p> <ol style="list-style-type: none"> <li>1- The Chairman of the Anti-Money Laundering and Terrorism Financing Commission, as Chairperson</li> <li>2- A judge at the level of Counselor or above, as Member</li> <li>3- A representative of the Ministry of Foreign Affairs, as Member</li> <li>4- A representative of the Ministry of Interior, as Member</li> <li>5- A representative of the Ministry of Finance, as Member</li> </ol>

	<p><b>6-</b> The Secretary of the Anti-Money Laundering and Terrorism Financing Commission, as Member and Secretary of the Committee.</p> <p>In accordance with Article 2 of Resolution 851, the Committee shall assume the tasks and powers related to freezing the funds of persons and entities designated by the two Sanctions Committees or designated in the context of UNSCR 1373 (2001) and other relevant resolutions, in accordance with the procedures stipulated in Resolution 851. To achieve this, it shall coordinate with the regulatory, supervisory and administrative authorities and any other party concerned with implementing the provisions of this resolution.</p>
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- Using technology to facilitate the exchange and sharing of information between national authorities, as well as reports from reporting entities.

<b>Jurisdiction</b>	<b>The mechanism used to ensure effectiveness without delay</b>
<b>The UAE</b>	<p>The Executive Office for Control and Non-Proliferation (EOCN) is responsible for implementing and disseminating designation decisions related to TFS. It uses an electronic mechanism to send notifications on any updates to the Security Council sanctions list and the Council of Ministers' local list established in accordance with UNSCR 1373. This mechanism facilitates direct and timely access to all relevant government agencies and private sector financial and non-financial institutions, ensuring an immediate implementation of sanctions without delay.</p> <p>The service has been programmed to recognize identifiers and track the Press Release page on the UN website. The system periodically (every two hours) monitors all updates to the website, which include the following identifiers: addition, deletion, and amendment.</p> <p>The link to any updates monitored, including one of these identifiers, is sent to the relevant (24/7) team in the TFS Management Department, to be immediately disseminated to the government and private sectors via the electronic notification system.</p>

	
<p><b>The Hashemite Kingdom of Jordan</b></p>	<p>The Technical Committee for the Implementation of UNSCRs on terrorism and its financing and the proliferation of WMDs is responsible for implementing and disseminating designation decisions related to TFS.</p> <p>The Technical Committee disseminates the information through a mobile application, which transmits updates to the sanctions lists and the national list directly to the competent authorities, FIs, and DNFBPs. This ensures that these entities comply with their obligations immediately and without delay. The application is available to all reporting and non-reporting entities, as well as any natural or legal person present on Jordanian territory.</p> <p>The Technical Committee's system is directly linked to the Security Council website and periodically (every hour) monitors all updates to it (addition, amendment, or deletion). The update is immediately sent to the application users as a notification/alert on their mobile phones. In addition, the update is immediately reflected on the Technical Committee's website. Regarding UNSCR 1373, when the Technical Committee issues a decision to update the national list, the update, including all data, is entered into the system, which in turn sends a notification to application users and reflects it on the Technical Committee's website.</p> <p>The diagram below illustrates the mechanism in place:</p>



	notifying the PCTC chairing the State Security of the measures taken and inquiring in the event of false positives.
<b>The Sultanate of Oman</b>	<p>The National Counter-Terrorism Committee is responsible for implementing and disseminating designation decisions related to TFS.</p> <p>The Technical Committee uses emails to disseminate updates to the UN and local sanctions lists directly to the competent authorities, FIs, and DNFBPs, ensuring they comply with their obligations immediately and without delay.</p>
<b>The Republic of Iraq</b>	The Terrorist Funds Freezing Committee and the Anti-Money Laundering and Counter-Terrorism Financing Office are responsible for the immediate implementation of UNSCRs and the national list related to combating terrorism, TF, and PF. They are responsible for implementing and disseminating the designation decisions related to TFS, coordinating with relevant authorities to ensure full implementation, and adopting a mechanism to electronically notify relevant authorities, FIs, and DNFBPs without delay. The relevant implementing authorities are committed to directly accessing the United Nations website to implement their obligations.
<b>The Arab Republic of Egypt</b>	The Anti-Money Laundering and Terrorist Financing Unit regularly monitors the implementation of TFS by publishing lists and updates on its website and disseminating them to supervisors, who in turn disseminate them to FIs and DNFBPs. Updates to lists are sent by email - and published on the Unit's website, <a href="http://www.mlcu.org.eg">www.mlcu.org.eg</a> - in an Excel file specially prepared by a working group (formed by the Unit specifically to monitor TFS by checking Security Council sanctions lists daily). This allows FIs, DNFBPs, and other reporting entities to search these lists easily and without the need to use complex automated systems, if they are unable to search the lists in PDF and XML formats available on the United Nations website. In any case, the legal obligation to implement the resolution without delay begins as soon as the resolution is published on the Security Council website and as soon as any amendment, addition, or deletion occurs. In addition, reporting entities must sign up to the Unit's website and follow up on the alerts it receives regarding any updates that occur on local or international lists.
<b>The State of Qatar</b>	The National Counter-Terrorism Committee has established an electronic notification platform that allows various parties involved in the implementation of TFS to register for free on its website. This allows users to receive immediate information via a



	<p>free RSS feed service about any change to the UN sanctions list or to the Public Prosecutor decisions. Searches can also be conducted by name, nationality, and designation type. The list can also be downloaded in PDF or Excel format.</p> <p>A special case management system has also been created for the Terrorism Affairs Office, which includes features for electronic linking with relevant entities. It has also been linked to an AI-based reporting system to examine all reports received electronically by the Public Prosecution to ensure they are checked for any risk indicators.</p>
<b>The Kingdom of Morocco</b>	<p>The National Committee responsible for implementing sanctions set out in UNSCRs on terrorism, the proliferation of WMDs, TF and PF in the Kingdom of Morocco has undertaken a number of tasks and responsibilities, most importantly:</p> <ul style="list-style-type: none"> <li>- Developing a website for the National Committee with a Newsletter feature to receive notifications of updates to UN and local lists. Registration on the Committee's electronic information exchange platform allows users to receive notifications of designation of individuals, entities, and organizations on the local and UN lists. It also allows an official contact with the Committee to respond to them.</li> <li>- Issuing a practical guide for implementing the TFS obligations against individuals, entities, and organizations designated on UN or local terrorism lists.</li> </ul> <p>The Committee also publishes any updates to the UN and local lists on its own platform for exchanging information with individuals and on its website. Coordination is carried out with the Committee in the event of a match with the lists.</p>
<b>The Syrian Arab Republic</b>	<p>In accordance with Article 13 of Resolution 851 of 2014, the Freezing Committee shall circulate the local list and its amendments without delay and without prior notice, after its publication in the Official Gazette, to the competent supervisory authorities, other administrative authorities, FIs, and relevant non-financial institutions through the Anti-Money Laundering and Terrorism Financing Commission, with the aim of taking the necessary measures to freeze all funds owned, in whole or in part, by the persons and entities listed therein, and funds they control directly or indirectly (including funds acquired or generated from such funds), as well as the funds of individuals and entities acting</p>



on their behalf, for their benefit, or at their direction. In the event of delisting pursuant to Article 12 of this resolution, this procedure shall be circulated to these entities and institutions with the aim of taking the necessary measures to lift the freeze on the frozen funds. At the request of the competent authorities, the Committee may circulate the names of the persons and entities designated on the local list through the Ministry of Foreign Affairs and Expatriates to other jurisdictions and request them to freeze their funds and other assets located on their territories, in accordance with Security Council Resolution 1373 (2001) and other relevant resolutions.

Pursuant to Article 6 of Resolution 851 and its amendments, the terrorist lists issued pursuant to Resolution 1267 (1999) are circulated. The Ministry of Foreign Affairs and Expatriates shall provide the Anti-Money Laundering and Terrorist Financing Commission with the amendments introduced to the Sanctions Committees list immediately upon receipt or upon publication on the United Nations website as soon as possible. The Commission shall also monitor the amendments published by the Sanctions Committees and shall circulate the terrorist lists without delay to the competent supervisory authorities, other administrative bodies, FIs, and non-financial institutions, with the aim of taking the necessary measures to freeze all funds owned, in whole or in part, by the designated persons and entities, and the funds they control directly or indirectly (including funds acquired or generated from such funds), as well as the funds of individuals and entities acting on their behalf, for their benefit, or at their direction. The Commission shall also immediately inform the Ministry of Foreign Affairs and Expatriates of the measures taken in this regard.

Through the Anti-Money Laundering and Terrorism Financing Commission, the Committee shall circulate the name of any person or entity designated on the terrorist lists for the first time, as soon as the explanatory summary regarding the designation of that person or entity is issued by the Sanctions Committees, and shall inform them accordingly, as per Resolution 851. The Prime Minister is also informed of the terrorist lists and any amendments thereto.

	<p>Through the Anti-Money Laundering and Terrorism Financing Commission, the Committee shall circulate the name of any delisted person or entity following the publication by the Sanctions Committees of their decisions to the relevant supervisory and administrative authorities, FIs, and relevant non-financial institutions, with the aim of taking the necessary measures to lift the freeze on frozen assets, using the same freezing mechanism set out in Article 6 paragraph (a) of Resolution 851.</p> <p>All FIs and banking institutions operating in the Syrian Arab Republic are also obligated to follow any update to the Consolidated Sanctions List directly on the Security Council's website.</p> <p>The Commission also published a link to the Consolidated Sanctions List issued by the Security Council on its official website.</p> <p>The local list issued pursuant to Resolution 1373 (2001) and its updates are circulated to all FIs operating in the country through the network in place connecting all these institutions to the Commission. All amendments to the local list are also circulated through the electronic system for precautionary seizures since 2019. This is intended to expedite the dissemination to all relevant parties involved in implementing the freeze on the movable and immovable assets of the designated persons and entities, as per Cabinet Circular No. 1078/15 of 2018.</p> <p>Reports are also received from all reporting FIs through the network in connecting them to the Commission.</p>
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- Public-private partnerships that enhance national cooperation and coordination and allow for the rapid sharing and exchange of information, which in turn helps in tracing, freezing, and confiscating funds.

<b>Jurisdiction</b>	<b>Public-private partnership mechanism</b>
<b>The UAE</b>	<ul style="list-style-type: none"> <li>• A Working Group on TFS was established based on a decision by the UAE Public-Private Partnership Committee, chaired by</li> </ul>

	<p>the EOCN, in August 2022. The Group includes 28 members from the public and private sectors.</p> <ul style="list-style-type: none"> <li>• <b>The Group aims to achieve the following outcomes:</b> <ul style="list-style-type: none"> <li>○ Exchanging expertise between the public and private sectors to enhance the implementation of TFS.</li> <li>○ Identifying and addressing the challenges facing the private sector in implementing TFS.</li> <li>○ Identifying patterns that help the private sector proactively combat sanctions evasion.</li> <li>○ Reviewing legal frameworks, policies, and guidelines for TFS.</li> </ul> </li> <li>• <b>The Group's most important outcomes:</b> <ul style="list-style-type: none"> <li>○ Discussing challenges related to TFS implementation, including how to handle dual-use items.</li> <li>○ Updating the institutional framework for TFS implementation by giving the Working Group an advisory role.</li> <li>○ Updating the Guidelines for Combating PF by adding details on the list of controlled goods and the mechanism for dealing with transactions containing dual-use materials.</li> <li>○ Holding specialized awareness workshops in accordance with the Working Group's recommendations, including "the Counter PF Week" and "Implementing TFS for DNFBPs."</li> </ul> </li> </ul>
<b>The Hashemite Kingdom of Jordan</b>	<ul style="list-style-type: none"> <li>• Joint public-private sector committees have been formed to exchange expertise and improve TFS implementation.</li> <li>• A manual has been issued for all parties involved in implementing UNSCRs. It primarily targets the private sector and helps it in fulfilling its obligations under the instructions. It provides detailed guidance for all parties and helps those in possession of targeted funds or other assets when freezing or unfreezing measures are taken to effectively implement them. This includes the mechanism for dealing with cases of similar names or false positives and other details related to the implementation of the instructions.</li> <li>• Standard answers have been adopted for questions and inquiries from the private sector (parties obligated to implement UNSCRs). To raise awareness, all questions and answers have been compiled and circulated to all relevant and reporting parties. They were also published on the Technical Committee's website in Q&amp;A format.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Technical Committee issued a decision to form a sub-committee for coordination consisting of the AML/CFT Unit, the Central Bank of Jordan, the Jordan Securities Commission, the Ministry of Interior, and the Department of Lands and Survey. This Committee develops comprehensive training plans for all FIs and DNFBPs.</li> <li>• Accordingly, employees in both the financial and non-financial sectors receive continuous training which allows them to fulfill their obligations under the instructions.</li> <li>• Holding periodic meetings attended by relevant supervisors with representatives of the supervised entities in the private sector, in order to examine and address the challenges facing the sector and receive any proposal from the private sector's representatives.</li> <li>• Holding joint training programs with the participation of the public and private sectors.</li> <li>• Inviting and engaging the private sector in workshops held by the Technical Committee, supervisors, or any other international body or organization.</li> <li>• Providing a mechanism for continuous communication with the Technical Committee's Secretariat through a dedicated email address and a direct telephone number in order to receive inquiries, whether regarding instructions and guidelines, or when reporting cases (matches and similarity, freezing and unfreezing, attempted financial transactions by a listed person), as well as in other cases. The Technical Committee Secretariat immediately responds to these inquiries.</li> <li>• Providing the aforementioned electronic application.</li> </ul>
<b>The Sultanate of Oman</b>	<ul style="list-style-type: none"> <li>• The National Counter Terrorism Committee has created an electronic form on its website that enables entities to immediately report any case of suspicion or freezing.</li> <li>• The National Counter Terrorism Committee has enabled compliance officers at reporting entities to report and communicate directly (by phone or email) with it on all matters related to the implementation of TFS.</li> </ul>
<b>The State of Qatar</b>	<ul style="list-style-type: none"> <li>• Subscribing to the mentioned RSS feed service</li> </ul>

<p><b>The State of Palestine</b></p>	<ul style="list-style-type: none"> <li>• The Committee for the Implementation of UNSCRs has a Secretariat (affiliated to the Public Prosecution Office) established pursuant to Decree No. 14 of 2022 on Implementing Security Council Resolutions. Its duties include the following: <ul style="list-style-type: none"> <li>a. Coordinating with all entities represented on the Committee to ensure the implementation of the obligations and duties stipulated in the provisions of this Decree.</li> <li>b. Receiving correspondence, including designation requests or requests for information, from local and foreign authorities, and from the United Nations through the Ministry of Foreign Affairs and Expatriates.</li> <li>c. Sending correspondence, including requests for information, to local authorities, foreign authorities, and the United Nations through the Ministry of Foreign Affairs and Expatriates.</li> <li>d. Collecting and analyzing information on individuals or entities proposed for designation or who have submitted a delisting request and submitting it to the Committee for consideration in accordance with the Decree.</li> <li>e. Receiving and analyzing requests submitted in accordance with Articles 16, 17, 18, and 19 of the Decree regarding the addition of dues to frozen accounts, access to frozen funds or other assets, payments due under a contract, judicial, administrative, or arbitration decision and false positives, then submitting them to the Committee for consideration.</li> <li>f. Providing a mechanism for continuous communication with the Committee's Secretariat through a dedicated website window where inquiries on the implementation of UNSCRs are received, including inquiries on instructions, guidelines and reporting. <a href="https://sanction.pgp.ps/ar/Contact">https://sanction.pgp.ps/ar/Contact</a>.</li> <li>g.</li> </ul> </li> <li>• The Committee for the Implementation of UNSCRs also issued a manual on the implementation of UNSCRs, which describes the obligations of FIs, DNFBPs, NPOs, supervisors, competent authorities, and any other person or entity, in accordance with relevant international standards and obligations. Six models attached to the manual were issued and published on the Unit's website.</li> <li>• Engaging and inviting the private sector to workshops held by the Committee for the Implementation of UNSCRs, the Financial Follow-up Unit, or supervisors.</li> </ul>
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<b>The Republic of Iraq</b>	<ul style="list-style-type: none"> <li>• Engaging the private sector in workshops held by the Anti-Money Laundering and Terrorism Financing Office, the Technical Committee, supervisors, or any other international entity or organization.</li> <li>• Establishing joint public-private committees.</li> <li>• The Technical Committee shall hold periodic and extraordinary meetings attended by supervisors and representatives of the reporting entities in the private sector to address the challenges and crises they are facing and receive any proposals from the private sector.</li> <li>• Raising awareness of the private sector through social media and the official websites of regulators and supervisors.</li> </ul>
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### **Recommendations:**

- Strengthening and developing the legislative and legal framework in jurisdictions to include all TFS requirements in line with FATF standards.
- Adopting an electronic mechanism that facilitates communication between all relevant parties and helps in ensuring an immediate implementation of the freeze without delay.
- Providing the relevant sanctions lists in a searchable format and in the appropriate language by the competent authority, with the aim of facilitating compliance for reporting entities.
- Encouraging jurisdictions to expand the scope of international cooperation to include the exchange of information, including local lists, and the confiscation of funds, other assets, and economic resources related to sanctions evasion and PF.
- Issuing a manual by competent authorities to reporting entities to ensure a unified understanding of TFS implementation and enhancing the capacity of FIs, DNFBPs, VASPs, and any other reporting entities to understand ownership structures and identify BOs of business relationships, thus promoting the identification and freezing of funds, assets, and economic resources.
- Preparing forms by the Technical Committee or the Secretariat so that jurisdictions can adopt them and reflect them in their working mechanisms regarding UNSCR 1373 (such as a grievance form and a form for requesting the release of frozen funds to cover basic or exceptional expenses) and other forms related to the implementation of UNSCRs.

## Sanctions evasion

Sanctions evasion refers to any attempt to conceal or disguise the involvement of individuals, entities, or groups designated on the local terrorist list or the UN Security Council sanctions lists in financial or non-financial transactions or services to circumvent financial sanctions.

In general, jurisdictions adopt methods and mechanisms to detect sanctions evasion, including training specialists through specialized programs, enhancing understanding of the risks associated with high-risk sectors, as well as understanding TF and PF risks, submitting STRs through the jurisdiction's established systems, and promoting public-private partnerships and effective information sharing.

### 6.1.TF sanctions evasion methods

- **Exploiting oil derivatives and natural resources (gold smuggling and mining):**

The smuggling of oil derivatives and gold extracted by extremist groups in a particular sanctioned jurisdiction to other companies and jurisdictions is carried out with the aim of changing the origin of the oil or gold to avoid any connection with the sanctioned jurisdiction. Terrorist financiers resort to this method because gold is easy to transport and can produce high liquidity when converted into cash.

#### Case study

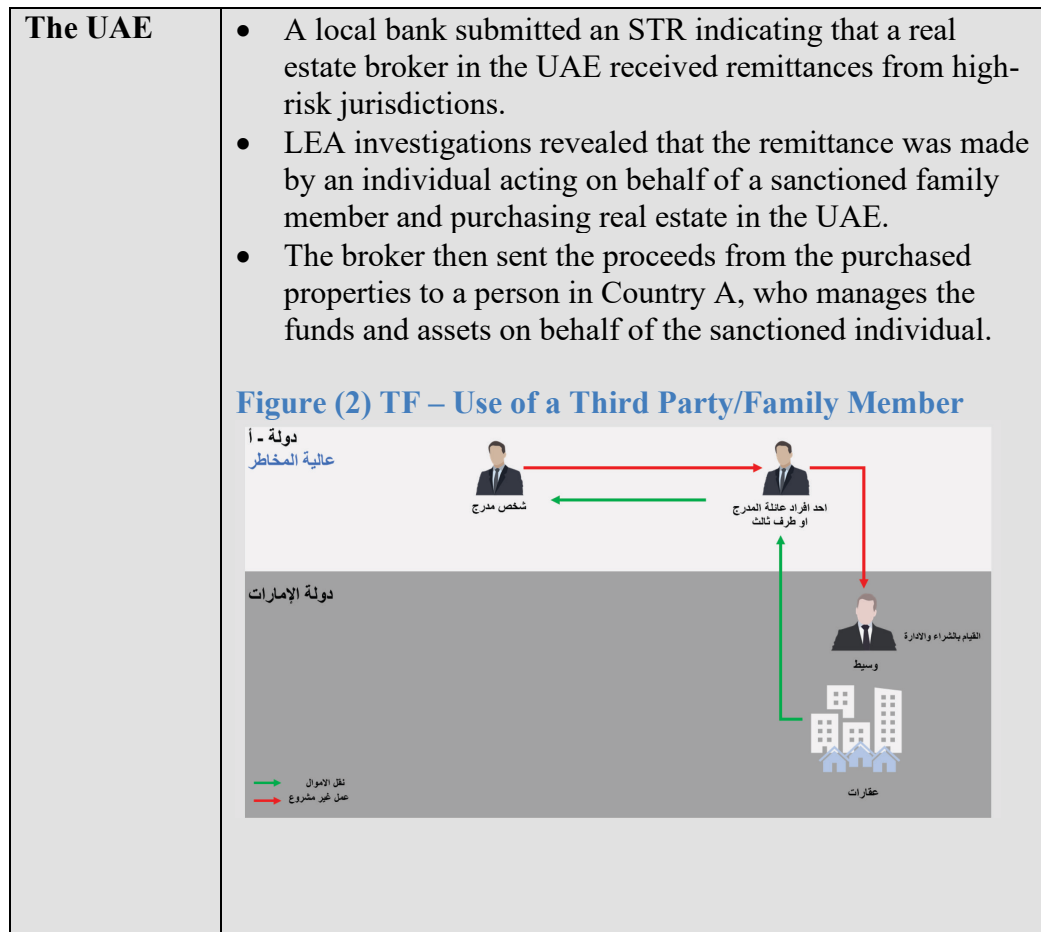
The UAE	<ul style="list-style-type: none"> <li>• This case study was detected based on international cooperation, through information received from foreign counterparts by local customs regarding a shipment bound for the UAE.</li> <li>• Gold extracted by extremist groups based in sanctioned Country A was smuggled to Company B based in Country B, with the intent of changing the origin of the gold to avoid any connection with sanctioned Country A.</li> <li>• A dealer in precious metals and stones in the UAE purchased the gold from Company B (legitimately) and transferred the funds to Company B, which then transferred the funds back to Company A.</li> </ul> <p><b>Figure (1) TF - Gold Smuggling</b></p>
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- **Using a third party or family member**

Acting on behalf of a family member subject to TFS by purchasing real estate and property and returning these assets to the sanctioned individual. Terrorist financiers use family members to exercise easy and indirect control over assets.

### Case study

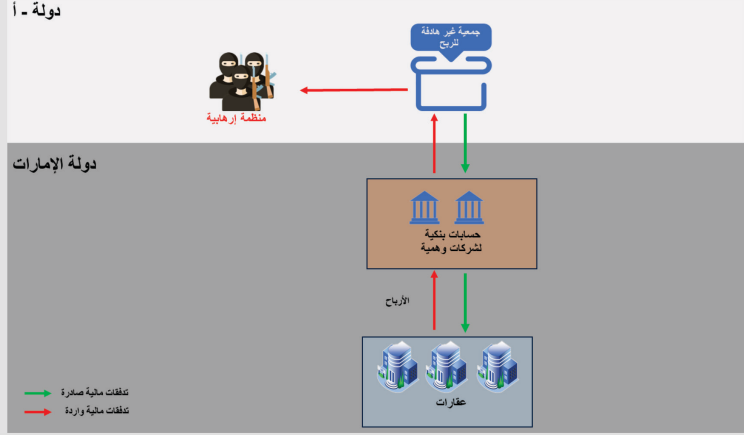




- **Misuse of NPOs:**

Non-profit organizations (NPOs) are used as fronts by terrorist groups, to maintain bank accounts and purchase real estate as a cover for terrorist and sanctioned groups. Terrorist financiers resort to NPOs because of their wide geographical presence, and because they enjoy widespread popular and international sympathy, and receive significant international funding, which can lead to their misuse by terrorists.

### Case study

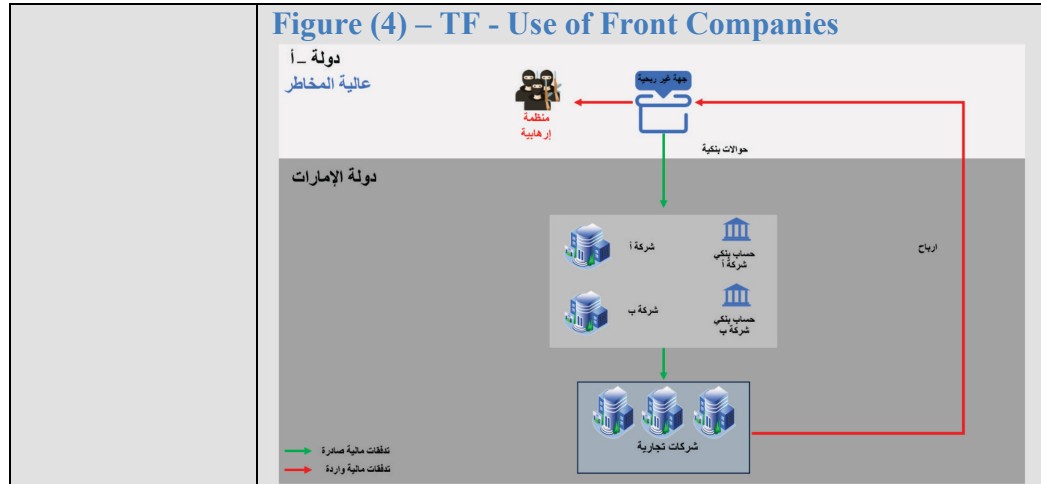
<p><b>The UAE</b></p>	<ul style="list-style-type: none"> <li>• A bank filed an STR regarding transfers to and from an NPO in Country A.</li> <li>• NPOs are being misused as front companies for terrorist groups, to maintain bank accounts and purchase real estate.</li> <li>• Hawaladars were used as intermediaries to transfer profits generated from real estate to the NPO located in Country A, which is found to be supporting a terrorist group.</li> </ul> <p><b>Figure (3) – TF – Misuse of NPOs</b></p> 
<p><b>The Republic of Iraq</b></p>	<p>The Anti-Money Laundering and Terrorism Financing Office received a report from the NPO Department (the regulatory and supervisory authority for NPOs). Attached was a copy of a letter from an auditing entity (that audits the NPO's accounts) stating that the NPO was registered with the NPO Department and had obtained a registration certificate dated 6/17/2010. The report pointed out a suspicion that the NPO was involved with terrorist groups.</p> <p><b>Red Flags</b></p>

	<p>Following analysis and investigation by the Office, the NPO was found to have committed several financial violations and that one of its members is designated on the ISIS terrorist list.</p> <p>The Office's analyzed STR and conducted investigations, particularly with LEAs. Intelligence agencies revealed that they had negative indicators regarding the NPO's Executive Director.</p> <p><b>Actions Taken by the Office:</b></p> <ol style="list-style-type: none"> <li>1. After completing its financial analysis of the STR and identifying a red flag at NPO (S), the Office requested the Terrorist Funds Freezing Committee to freeze the NPO's movable and immovable assets, as there were indicators of its involvement with the terrorist group ISIS. The Committee took the necessary measures, and the movable and immovable assets and economic resources of the NPO were frozen pursuant to Resolution (76) of 2018, as well as those of its affiliated offices, and of (12) individuals associated with it.</li> <li>2. The above resolution was circulated through the electronic notification platform to all relevant implementing authorities.</li> <li>3. An STR was submitted and referred to the Public Prosecution Office for necessary action, according to their jurisdiction.</li> <li>4. A decision was issued to dissolve the NPO judicially, pursuant to a letter from the Supreme Judicial Council, based on the above.</li> </ol>
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- **Use of shell companies, front companies, and complex ownership structures**  
Terrorist financiers use shell companies and front companies, particularly those established in jurisdictions with weak corporate governance systems, to conceal their identities. They may also use companies with complex structures to conceal ownership.

### Case study

<b>The UAE</b>	<ul style="list-style-type: none"> <li>• A local bank filed an STR regarding wire transfers from an NPO located in a high-risk jurisdiction to the accounts of front companies in the UAE.</li> <li>• The front companies used the funds they received to invest in commercial companies. The investment proceeds were transferred to the NPO controlled by a terrorist group.</li> </ul>
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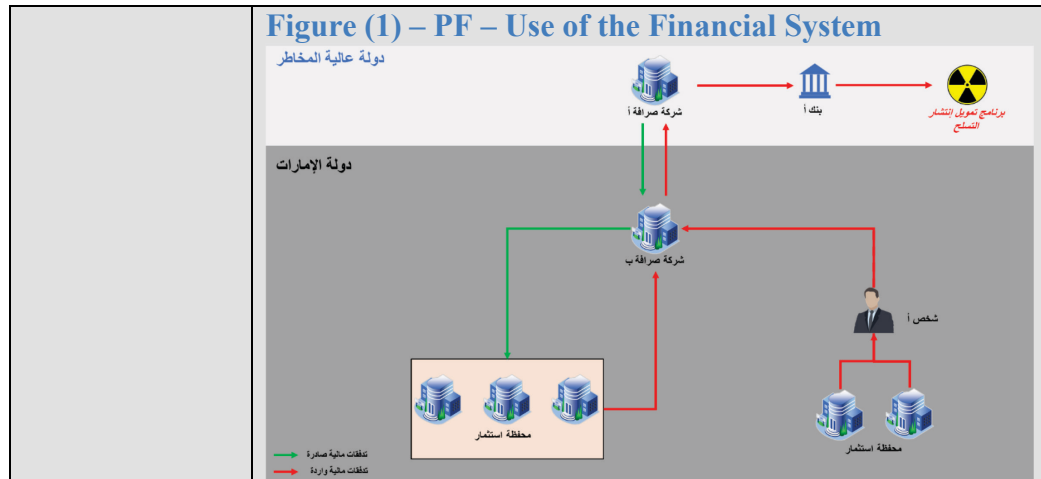
## 6.2. Methods associated with PF:

- **Misuse of the financial system:**

Using investment portfolios and suspects carrying out multiple, high-value financial transactions by sending and receiving proceeds through exchange companies in a jurisdiction supporting WMD programs.

### Case study

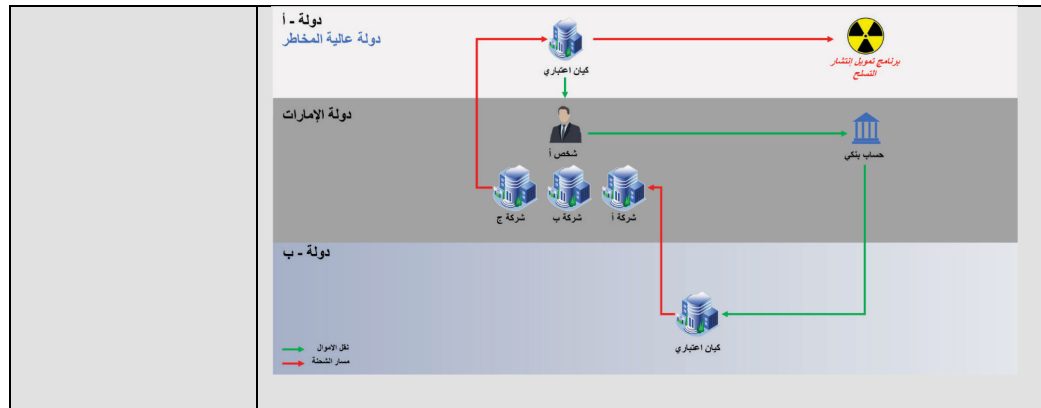
<b>The UAE</b>	<ul style="list-style-type: none"> <li>• Exchange Company B filed an STR regarding suspicious behavior involving multiple high-value incoming and outgoing transfers conducted by five different companies acting as investment portfolios.</li> <li>• Two of the five companies received funds through investment portfolios and then transferred them to Exchange Company A through Person A, who manages both companies.</li> <li>• The other three investment portfolios transferred the funds directly to Exchange Company B to be transferred eventually to the high-risk jurisdiction.</li> <li>• Investigations revealed that Exchange Company A and Bank A are controlled by an entity that supports WMD programs.</li> </ul>
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- Shipping dual-use items using forged documents and invoices:**  
 Manipulating the technical description of an electronic item, making its specifications slightly lower than the controlled threshold, to support jurisdictions that support WMD programs. Illegal actors falsify transit documents for shipping a specific item from a high-risk jurisdiction to sanctioned terrorist groups, using a low-risk jurisdiction that follows proper CFT and CPF procedures, to then reship it to sanctioned terrorist groups.

### Case study

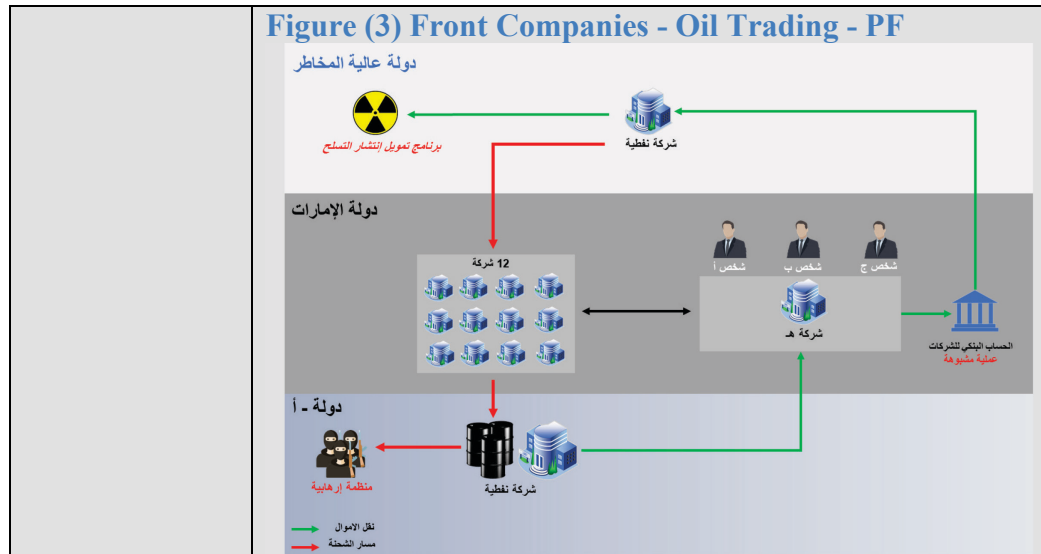
<p><b>The UAE</b></p>	<ul style="list-style-type: none"> <li>When Company A submitted its permit application, an export control authority revealed that the technical description of an electronic item had been tampered with, with the item's specifications falling slightly below the controlled threshold.</li> <li>The investigation revealed that Person A owns and uses three companies to reship electronic items. Additionally, this person received funds from a legal person in a high-risk jurisdiction to deliver the electronic item.</li> <li>The investigation also revealed that the transaction involved the sale, shipment, and export of a dual-use item to a legal person in a high-risk jurisdiction that supports a WMD program.</li> </ul> <p><b>Figure (2) – PF – Shipment of Dual-Use Items</b></p>
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- **Use of shell companies, front companies, and complex ownership structures**  
Proliferation financiers use shell companies and front companies, particularly those established in jurisdictions with weak corporate governance systems, to conceal their identities. They may also use companies with complex structures to conceal ownership.

#### Case study

<p><b>The UAE</b></p>	<ul style="list-style-type: none"> <li>• This case study was triggered by an STR from a local bank, which suspected multiple large transactions between Company H and 12 other companies in the UAE.</li> <li>• Individual A had established a front company (Company H) with two other individuals, engaged in ship supply and oil and gas trading. Company H used 12 subsidiaries operating in the same sector to ship oil from a high-risk jurisdiction to Country A, using the UAE for transshipment.</li> <li>• Proceeds from the oil sales were being sent to the terrorist group through the UAE financial system to support that jurisdiction's WMD program.</li> </ul>
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- **Using foreign FIs**  
Some FIs in a jurisdiction subject to TFS maintain correspondent bank accounts or relationships with foreign FIs. Correspondent banks conduct transactions on behalf of that jurisdiction, allowing it to access the global financial system. Furthermore, funds or other assets belonging to sanctioned jurisdictions do not need to be repatriated to the jurisdiction to be used. They are held in bank accounts abroad, particularly in jurisdictions with no clear connection to the sanctioned jurisdiction, to facilitate international trade through those accounts.
- **Exploiting the trade relations of neighboring countries and the shipping networks of other jurisdictions**  
Some sanctioned jurisdictions have extensive trade networks with neighboring countries and can access the global financial system through these bases. Similarly, sanctioned jurisdictions can indirectly enter the global financial system through a group of countries with which they have trade relations.

## 7. Challenges Facing Countries in Combating Sanctions Evasion

This section studies and analyzes the challenges and opportunities associated with implementing TFS aimed at preventing the illicit financing of terrorist activities and arms proliferation. The analysis includes an assessment of the following elements:

- **Adapting to legal requirements:** Some targeted entities are finding ways to circumvent TFS by exploiting legal and regulatory loopholes, perhaps by transferring assets to non-sanctioned entities or using informal financial channels.

- Continuous technological advancements: The use and circulation of new technologies and cryptocurrencies makes tracking funds harder, as these tools provide confidentiality to transfers, further complicating monitoring and freezing.
- Compliance costs: FIs and companies face significant costs to update their systems and policies to comply with sanctions requirements. This includes training, technical systems development, and periodic reviews.
- Immediate compliance pressure: TFS require immediate implementation when new sanctions are issued, which poses a challenge, especially if there are no mechanisms in place to promptly notify relevant institutions.
- Legislative discrepancies between jurisdictions: Differences in legislation among jurisdictions can create gaps that individuals and entities exploit to evade sanctions, weakening effective compliance.
- Weak international cooperation: The lack of coordination and information sharing between jurisdictions is a weakness, as anti-sanctions evasion operations require international cooperation to identify suspicious activities and facilitate asset freezing.

### **Best Practices for Combating Sanctions Evasion**

- Developing a set of guidelines and awareness-raising and training tools for all entities involved in combating sanctions evasion, including the private sector.

<b>Jurisdiction</b>	<b>Best practices in ensuring compliance with United Nations resolutions</b>
<b>The State of Palestine</b>	The Committee for the Implementation of Security Council Resolutions issued a manual on the implementation of UNSCRs, consisting of seven chapters on: TFS, access to lists and general obligations, freezing obligations and prohibiting the provision of funds and other assets, delisting and disbursement of expenditures, methods and indicators of suspicion of PF and sanctions for non-compliance, as well as six annexes and attached templates. It also issued a reporting manual, which includes indicators for reporting TF.
<b>The UAE</b>	<p>The Executive Office for Control and Non-proliferation (EOCN), in coordination with relevant regulatory and supervisory authorities and government agencies, issued a set of guidelines as follows:</p> <ol style="list-style-type: none"> <li>1. Preparing a guide for implementing TFS for government agencies.</li> </ol>

	<ol style="list-style-type: none"> <li>2. Preparing a guide for implementing TFS for the private sector.</li> <li>3. Preparing a supplementary guide for implementing TFS for the insurance sector.</li> <li>4. Developing a specialized guide for combating PF.</li> <li>5. Preparing a specialized guide for assessing PF risks at the institutional level.</li> <li>6. Preparing a strategic study on case studies to detect sanctions evasion.</li> <li>7. Developing a guide containing a list of TF and PF suspicion and sanctions evasion cases.</li> <li>8. Preparing a specialized inspection guide for monitoring and supervising the private sector's compliance with TFS requirements.</li> <li>9. Preparing a specialized guide on the mechanism for completing a grievance request form.</li> </ol> <p>The EOCN also developed an annual training plan for the public and private sectors, addressing best practices in implementing TFS and combating sanctions evasion, whether related to TF or PF.</p>
<b>The Sultanate of Oman</b>	<ol style="list-style-type: none"> <li>1. The National Counter-Terrorism Committee (NCTC) has created a website with sections covering: <ul style="list-style-type: none"> <li>- Procedures for implementing TFS.</li> <li>- Answers to frequently asked questions about the implementation of TFS.</li> <li>- A guide to assist reporting entities and supervisors in complying with TFS without delay.</li> <li>- A guide explaining to reporting entities how to register in the NCTC's email notification system.</li> <li>- A form for reporting confirmed or potential matches with sanctions lists.</li> <li>- A typologies paper to assist reporting entities and supervisors in understanding modern TFS evasion methods.</li> <li>- TF red flags.</li> <li>- Financial Action Task Force (FATF) manual.</li> </ul> </li> </ol>



	<p>- Publications issued by the <b>National Counter Terrorism Committee</b>.</p> <p>2. An awareness program (Every Wednesday and Thursday of every week) was developed, during which workshops are held via video conference for compliance officers in both the public and private sectors on TFS implementation.</p> <p>3. Training programs were provided specifically for certain sectors that needed more awareness about TFS implementation.</p>
<b>The Republic of Iraq</b>	<ul style="list-style-type: none"> <li>- Conducting specialized training courses and workshops for all relevant implementation entities.</li> <li>- Preparing a guide for regulatory and supervisory authorities as well as all relevant stakeholders on combating sanctions evasion.</li> <li>- Developing red flags related to combating terrorism, arms proliferation, as well as potential suspicion indicators.</li> </ul>
<b>The Arab Republic of Egypt</b>	<p>The Anti-Money Laundering and Terrorist Financing Unit has issued several guidelines for reporting entities on the implementation of UNSCRs related to terrorism, its financing, and the financing of the proliferation of WMDs. These include detailed guidelines on the mechanism for implementing UNSCRs on TFS related to terrorism, its financing, and PF for FIs and DNFBPs; a guide on combating proliferation; and a guide on the obligations of FIs and other persons or entities, including DNFBPs, with respect to designated persons and entities.</p> <p>The Unit recently updated the guide on combating proliferation, adding a special section on sanctions evasion. The guide focuses on understanding the methods criminals may use to evade TFS related to proliferation. It also includes a section on how to establish a system for complying with TFS, requiring reporting entities to have a comprehensive internal system to mitigate and manage risks and adhere to their stipulated responsibilities. Accordingly, they must take appropriate steps to develop, implement and update the sanctions compliance regime, particularly those related to combating PF.</p>
<b>The Hashemite Kingdom of Jordan</b>	<ul style="list-style-type: none"> <li>• The National AML/CFT Committee issued instructions for implementing UNSCRs related to terrorism, its financing, and the financing of the proliferation of WMDs.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Technical Committee issued a manual for implementing the instructions, which includes detailed guidelines for all reporting entities, other persons and entities, and competent authorities to implement their obligations under the instructions, and the actions to be taken, primarily with regard to TFS imposed under the sanction regimes of the relevant UNSCRs.</li> <li>• The Technical Committee prepared a manual for supervisors, providing general guidance on monitoring the effective implementation by entities of UNSCRs related to terrorism, TF, and PF, and the adequacy and effectiveness of their existing programs.</li> <li>• Reflecting relevant FATF guidance on the website of the Anti-Money Laundering and Counter Terrorist Financing Unit and the Technical Committee, such as the Emerging Terrorist Financing Risks Report, the Guidance on Counter Proliferation Financing, the Guidance on Criminalizing Terrorist Financing, and the Guidance on The Implementation of Financial Provisions of United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction, among others.</li> <li>• The Unit, in cooperation with the regulatory and supervisory authorities that are members of the Technical Committee, continuously holds specialized training courses and workshops for all parties involved in TFS implementation. It also develops long-term training plans for the public and private sectors on all relevant topics.</li> </ul>
<b>The Kingdom of Morocco</b>	<p>The National Committee for Implementing Sanctions Provisions in UNSCRs on Terrorism, Arms Proliferation, TF and PF in the Kingdom of Morocco has undertaken a number of activities, the most important of which is the issuance of a practical guide for implementing TFS obligations by persons concerned against persons, entities, and groups designated in the UN or local lists, as well as organizing awareness-raising and support campaigns for the reporting persons, with the participation of the National Financial Intelligence Authority and the supervisory and regulatory authorities.</p>

- Using international cooperation tools, especially since some sanctions evasion patterns are very complex and, in many cases, require working with authorities

outside the jurisdiction's borders to dismantle these systems and identify the BO of the funds.

- Developing specialized lists of indicators to combat TF, PF, and sanctions evasion.

Jurisdiction	Best practices in ensuring compliance with UN resolutions
The State of Palestine	<p>Chapter Six of the Manual includes a list of red flags and potential patterns of PF risks (<a href="https://www.ffu.ps/public/files/2024/pdf/unscrs_manual.pdf">https://www.ffu.ps/public/files/2024/pdf/unscrs_manual.pdf</a>). The <b>Manual for Reporting Suspicious Transactions and Activities</b> also includes TF indicators, the most important of which are:</p> <ul style="list-style-type: none"> <li>• Collecting donations without obtaining the necessary approvals.</li> <li>• Incoming and outgoing remittances to and from conflict countries and regions.</li> <li>• Credit card withdrawals from ATMs and point-of-sale (POS) machines located in conflict countries and regions.</li> <li>• Credit card withdrawals from banks located in conflict countries and regions.</li> <li>• The value and nature of the transactions do not align with customer information, such as their activity, income, and financial behavior.</li> <li>• Unclear financial transactions and relationships.</li> <li>• Countries and regions experiencing political or security turmoil.</li> <li>• Unjustified financial transactions and relationships with individuals of different nationalities.</li> <li>• Financial transactions or activities directly or indirectly linked to persons or entities designated under relevant UNSCRs, while complying with the legal requirements</li> </ul>

	<p>under Decree No. (14) of 2022 on Implementing UNSCRs.</p> <ul style="list-style-type: none"> <li>• Funding an account with cash deposits from a number of individuals without clear economic justification.</li> <li>• The customer's profession and activity are inconsistent with the nature of the financial transactions being carried out, such as an unemployed person sending remittances abroad.</li> </ul>
<b>The Sultanate of Oman</b>	<p>On January 1, 2024, the NCTC issued TF red flags. On December 27, 2023, the NCTC issued a "Typologies Paper" that included indicators and methods for evading TFS related to TF and the PF.</p>
<b>The Arab Republic of Egypt</b>	<p>The Unit has issued an annex to the Guidance on Countering WMD Proliferation, which includes indicators of suspicion regarding customers, transactions, and countries, as well as indicators of suspicion regarding PF through international trade.</p>
<b>The Kingdom of Morocco</b>	<p>The National Committee for Implementing Sanctions Provisions in UNSCRs on Terrorism, Arms Proliferation, TF and PF in the Kingdom of Morocco has undertaken a number of activities, the most important of which is the issuance of a practical guide for implementing TFS obligations by persons concerned against persons, entities, and groups designated in the UN or local lists.</p> <p>The National Financial Intelligence Authority also conducted a strategic study on arms proliferation and PF and shared relevant suspicious activity indicators with reporting persons.</p>

### 6.1 Potential TF Red Flags:

- Collecting donations without obtaining the necessary approvals from the competent authorities.
- Incoming and outgoing remittances to and from conflict countries and regions.
- Credit card withdrawals from ATMs and point-of-sale (POS) machines located in conflict countries and regions.
- The value and nature of the transactions do not align with the customer's information, such as their activity, income, and financial behavior.
- Unclear financial transactions and relationships, unjustified financial transactions and relationships with persons of different nationalities.

- Financial transactions or activities directly or indirectly linked to persons or entities designated under relevant Security Council resolutions.
- Funding an account with cash deposits from multiple individuals without a clear economic justification.
- The customer's profession and activity do not align with the nature of the financial transactions carried out, such as an unemployed person sending remittances abroad.
- A large number of incoming or outgoing transfers conducted through a business account, with no apparent commercial or economic purpose behind them, especially when these activities involve high-risk areas.
- Currency exchange transactions conducted on behalf of the customer by a third party, followed by transfers of funds to locations where there is no clear commercial connection with the customer or to high-risk jurisdictions.
- Using multiple accounts to collect and transfer funds to a small number of foreign beneficiaries, whether individuals or companies, especially in high-risk areas.
- Transactions involving certain high-risk jurisdictions, such as areas experiencing armed conflict or close to armed conflicts where terrorists operate, or areas where AML/CFT controls are weak.
- The use of funds by an NPO is inconsistent with its established purpose.
- Individuals or entities supporting violent extremism or radicalization online.

## 6.2 Potential PF Red Flags:

- The customer(s) is (are) involved in the provision, delivery, sale, or purchase of dual-use, strategic, or military-grade goods for high-risk jurisdictions.
- The information of the customer requesting or receiving the transaction is similar to the information of a designated individual or entity or to someone known to be associated with financing activities.
- The customer provides vague or inaccurate information on the transaction, provides incomplete information, or fails to cooperate in providing additional information upon request.
- The customer uses complex structures to conceal other parties, e.g., uses front companies, intermediaries, and brokers.
- The customer or receiving party has a similar address to a designated individual or entity or has a history of export control violations.
- The person involved is associated with a jurisdiction where there are proliferation concerns (e.g., a dual national), and/or is handling complex equipment for which they lack technical background.
- The transaction involves potential shell companies:
  - The capital size of the company may be small compared to the size of the transaction.
  - The company's transactions may reveal other indicators associated with shell companies.

- The shipment route is unjustifiably complex, or the transfer of the relevant payments is unjustifiably complex or indirect.
  - Sudden/frequent changes in board members/authorized signatories, which are not well explained or are intended to conceal links with individuals associated with sanctioned countries/activities.
  - The transactions involve individuals or entities located in a country known to be associated with PF activities (North Korea and Iran are considered high-risk jurisdictions for PF, although the transactions may involve other countries or contain components that could be used to finance proliferation).
  - The transactions involve companies, individuals, FIs, or DNFBPs known to have weaknesses in combating PF, weaknesses in export controls, or weaknesses in their enforcement of export control laws
  - The countries receiving the transactions are producers of dual-use goods or military goods.
  - The transactions involve individuals or entities in foreign countries known to redirect transactions to countries that help finance arms proliferation.
  - The value of the shipment, according to the accompanying documents, is less than its cost, and the discrepancy is significant.
  - There are discrepancies between the financial information provided in the accompanying commercial documents and the financial flows, such as names, companies, addresses, and destinations. This may include discrepancies between the goods described in the documents and the actual goods. It may also include discrepancies between the goods described in the shipping documents and the goods described in the invoices. The transaction may involve unjustified third parties. The recipient of the transaction is another shipper. The shipping route (if available) involves a country with weak export control laws or weak enforcement of export control laws. The description of the goods in the commercial or financial documents is inaccurate or misleading.
- Developing lists of dual-use materials and providing them to the private sector in a way that facilitates scanning and ensures that they are not exploited in illegal activities.

<b>Jurisdiction</b>	<b>Best practices in ensuring compliance with UN resolutions</b>
<b>The UAE</b>	The UAE established its legislative framework for non-proliferation through Federal Decree-Law No. 43 of 2021 on Goods Subject to Non-Proliferation and Cabinet Resolution No. 50 of 2020 on the Strategic Commodities Schedule relating to commodities subject to import and export control, which includes lists of restricted commodities.

<b>The State of Palestine</b>	Although the import of dual-use goods is limited and subject to controls, Annex (3) of the published manual for the private sector and the competent and supervisory authorities in the State of Palestine, includes examples of general dual-use materials that contained nuclear, chemical, and biological materials, as well as missiles, and means of delivery (see Annex 1).
<b>The Sultanate of Oman</b>	In January 2024, the European list of private sector institutions was circulated to supervisors, detailing the procedures to be followed in import and export operations. Several workshops were also held on the same topic.
<b>The Kingdom of Morocco</b>	Morocco has established a legal framework for controlling the import and export of dual-use goods (civilian and military) and related services through Law No. 42.18 and its Regulations. Within this framework, an interministerial committee for dual-use goods and related services was established.

## 8. Recommendations on Combating Sanctions Evasion

To enhance the effectiveness of identifying and combating patterns and methods of sanction evasion, the Technical Working Group of the Technical Committee for the Implementation of TFS recommends the following:

- Urging jurisdictions to accelerate their assessment and understanding of PF risks and take the necessary measures to mitigate such risks and combat sanctions evasion methods, in accordance with FATF Guidance.
- Urging the private sector to conduct institutional assessments of PF risks and categorize risks by customer, geographic area, and product, in accordance with FATF Guidance.
- Preparing a specialized guide for investigating sanctions evasion and PF cases, including specialized sections on VAs, as well as tracking and prosecuting VA cases.
- Leveraging AI to improve CFT and CPF compliance programs by improving risk identification, increasing the efficiency of financial crime investigations, and detecting suspicious activities.
- FIUs, in coordination with LEAs, should prepare strategic studies of TF and PF cases, including TF and PF tools and methods used.
- Enhancing the exchange of expertise at the bilateral level between jurisdictions, especially those with pioneering and exceptional experiences in achieving a high level of effectiveness in IO10 and IO11.
- Incorporating specialized training programs on combating sanctions evasion into MENAFATF's training plans.

- The e-learning platforms of the FATF and its regional counterparts should include programs on TFS and detecting sanctions evasion.
- Strengthening mechanisms for identifying beneficial owners of legal persons and arrangements to prevent their misuse for sanctions evasion and providing accurate, up-to-date, and easily accessible information to detect evasion.

#### Annex (1) - From the State of Palestine (for guidance)

##### ➤ Dual-use goods in the State of Palestine



Export controls aim to prevent the export of sensitive and dual-use goods (listed and unlisted) to known individuals and entities involved in the proliferation of weapons of mass destruction. However, it is difficult to identify and monitor the trade of all relevant dual-use goods, which are defined as goods with commercial uses, as well as uses related to WMDs and their delivery systems. In addition to national export controls, several relevant international export control systems exist, including:

- The Nuclear Suppliers Group: Focuses on nuclear technology materials necessary for nuclear programs, as well as technology considered to be dual-use and usable in nuclear programs.
- The Missile Technology Control Regime: Focuses on technology necessary to develop WMD delivery systems
- The Wassenaar Arrangement: Limited to controls on the trade in conventional arms, as well as specific dual-use items that may be applicable to illicit proliferation programs.
- The Australia Group: Focuses on materials and technology needed to develop chemical and biological weapons.
- The Zangger Committee: Includes a list of technologies needed to produce fissile nuclear material.

The European Union also maintains a list of controlled dual-use items, which includes the export control system mentioned above.

The following are examples of general dual-use items:

<b>Nuclear Materials</b>	<b>Chemical Materials</b>	<b>Biological Materials</b>	<b>Shells and Delivery</b>
Centrifuges	Purification Equipment	Bacterial Strains	Accelerometer
High-Speed Cameras	Mixing Vessels	Fermenters	Aluminum Alloys
Composite Materials	Centrifuges	Filters	Aluminum Powder
Stainless Steel	Lifter	Grinders	Gyroscope
Mass Spectrometers	Condensers	Pressers	Isostatic Piston
Pulse Generators	Connectors	Pumps	Composite Materials
Scintigraphy X-ray Machines	Chillers	Spray Dryers	Hardened Steel
Pressure Gauges	Precursors	Tanks	Guide Devices
Igniters	Pumps	Nutrient Media	Oxidizers
Vacuum Pumps	Reactors		Automated Tool
	Heat Exchangers		

## Annex 2 FAQs

### 1. What do “Targeted Financial Sanctions” mean?

Targeted sanctions are imposed on specific individuals, entities, or groups. Targeted financial sanctions include freezing assets without delay and prohibiting the provision of funds, other assets, or services, directly or indirectly, to sanctioned individuals, entities, or groups.

## **2. What does “without delay” mean?**

“Without delay” means applying freezing measures immediately upon identifying a match with the local or UN sanctions lists, within hours (less than 24 hours) of the designation of an individual, entity, or group.

## **3. What does the term “funds or other assets” mean?**

Any assets, including, but not limited to, financial assets and economic resources (including oil and other natural resources), property of any kind, tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to or interest in such funds or other assets, including, but not limited to, bank credits, traveler's checks, bank checks, money orders, stocks, securities, bonds, drafts, or letters of credit, and any interest, dividends, other income, or value accruing from or resulting from such funds or other assets, and any other assets that can be used to obtain funds, goods, or services.

## **4. Who must comply with targeted financial sanctions?**

Sanctions restrictions, including TFS measures, must be implemented by any (natural or legal) person, including government entities located in the country and operating within its jurisdiction.

## **5. On which sanctions lists should TFS be applied?**

The scope of TFS only covers the country's local terrorism list and the UN Consolidated Sanctions List. Unilateral sanctions lists are outside the scope of TFS.

## **6. How can I find out who is on the UN Consolidated Sanctions List?**

You can find out who is on the updated sanctions lists by checking the updated sanctions lists at the link below:

- Link to the UN Consolidated List: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

## **7. How long must funds be frozen?**

There is no timeframe for freezing. Accordingly, the obligation to keep assets frozen indefinitely may apply in some cases, and government agencies should lift the freezing measures if the designated individual or entity is delisted.

## **8. What is meant by sanctions evasion?**

Any attempt to conceal or disguise the involvement of sanctioned individuals, entities, or groups in a transaction or series of transactions or financial or non-financial services to evade financial sanctions imposed by virtue of local or United Nations lists.