

# Newsletter – AML

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## Designated Non-Financial Business or Profession (DNFBP)

Anti-money Laundering (AML) and other measures to counter terrorism financing have been a global focus for law-enforcement agencies and regulatory bodies. The global Financial Action Task Force (FATF) sets standards and provides AML guidelines. FATF has identified DNFBPs (FATF Recommendations 2012 updated October 2016) who should be subject to AML measures. DNFBPs normally include the following businesses –

- Casinos
- Real estate agents.
- Dealers in precious metals and stones.
- Dealers in cars
- Lawyers, notaries, other independent legal professionals and accountants
- Trust and Company Service Providers

Bahrain, as a member of the GCC, is a participant of the FATF and, to maintain its reputation as a well-regulated financial centre, is committed to implementing FATF requirements. Bahrain has recently introduced AML guidelines for DNFBPs.

## AML for designated non-financial businesses in Bahrain

[The Ministry of Industry, Commerce & Tourism \(MOICT\)](#) has issued order 173 of 2017 which requires auditors and businesses selling and trading in jewellery or cars to introduce anti-money laundering procedures to combat money laundering and terrorism finance.

The designated non-financial businesses and persons will be required to have –

- An AML framework with policies and procedures
- Appropriate due diligence and client identification measures
- Monitoring and record-keeping
- Internal and external suspicious activity reporting
- A compliance officer and periodic compliance function reviews

[The Ministry of Justice, Islamic affairs and Endowments \(MOJIE\)](#) has similarly issued edict 64 of 2017, mandating lawyers' offices and foreign legal offices to comply with law 4 of 2001 and adopt procedures for recording and retaining client details, reporting of suspicious transactions and dealing with client accounts.

The edict makes it mandatory to notify the Interior Ministry's Financial Investigation Directorate about suspicious activities when conducting transactions on behalf of their customers – including real estate transactions, fund / asset management and all types of banking.

## What does this mean for Banks?

The guidelines are mandatory for the entities to whom they apply. Entities have to adopt suitable AML measures consistent with their activities. These DNFBPs would normally transact business through financial institutions. Banks should note this development and consider including additional checks in the due diligence process while monitoring or opening accounts.

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