

Instructions No.2/C of 2017

On Dealing with Licensed Money Exchange Businesses Operating in Israel

The National Committee for Anti-Money Laundering and Counter Terrorism Financing,

Pursuant to the provisions of Decree Law no. 20 of 2015 on anti-money laundering and counter terrorism financing and amendments thereto, particularly paragraphs 14 and 15 of Article 20,

Based on the study of the FFU on risks of dealing with Israeli moneychangers and money exchange businesses,

Based on the powers conferred upon it,

And to serve the public interest,

Has issued the following instructions:

Article 1

Definitions

Definitions contained in the AML/CFT Law no. 20 of 2015 and amendments thereto, shall apply wherever mentioned in the present instructions.

Article 2

Scope of Application

The provisions of the present instructions shall be applicable to all banks, moneychangers and money exchange businesses operating in Palestine and licensed by the Palestinian Monetary Authority (PMA).

Article 3

Risks

Money exchange businesses and money changers operating in Israel and/or those licensed to operate in Israel are considered to be high-risk.

Article 4

Prohibition

All banks, money exchange businesses and money changers operating in the State of Palestine, are prohibited from undertaking any of the following:

- 1- Dealing directly or indirectly or conducting any incoming or outgoing financial transaction from or to Israeli moneychangers and/or money exchange businesses unless the following requirements are met:
 - a. Obtaining the accreditation of the money exchange business by the Palestinian Companies' Controller to operate as a foreign company in Palestine in line with the provisions of the Jordanian Companies Law no. (12) of 1964.
 - b. Obtaining a written approval from the PMA.
 - c. Obtaining the approval of the competent supervisory authority thereof to open bank accounts in the State of Palestine.
- 2- Opening any account for persons authorized to practice the money exchange profession in Israel if the purpose of such accounts is to conduct money exchange activities in the State of Palestine.

Article 5

Rectification

All banks and money exchange businesses operating in the State of Palestine shall abide by the following:

- 1- Rectify their situation according to the provisions of the present instructions by 30/3/2018.
- 2- Settlement the positions of financial institutions established before the present instructions were issued and any financial rights arising from dealing with Israeli moneychangers and/or money exchange businesses based on instructions issued by the PMA for this purpose in coordination with the FFU.

Article 6
Required Procedures

The PMA shall issue in coordination with the FFU the necessary procedures to implement the provisions of this decision upon notifying banks, money exchange businesses and money changers of such.

Article 7
Entry into Force

All competent authorities shall implement the provisions of the present instructions, each within their own purview. The present instructions shall enter into force on the day they are published in the Official Gazette.

Issued in Ramallah on:

Equivalent to: AH

The National Committee for Anti-Money Laundering and Counter-Terrorism Financing.