

## THE LAW OF TURKMENSITAN

### On Anti-Money Laundering and Combating the Financing of Terrorism

*This Law shall define the legal framework for anti-money laundering and combating the financing of terrorism, regulate legal relationships of reporting entities performing transactions with monetary funds or other assets, as well as the authorized agency and other states agencies in the sphere of anti-money laundering and combating the financing of terrorism.*

#### Chapter I. GENERAL PROVISIONS

##### Article 1. Basic terms used in this Law

The following basic terms shall be used for the purposes of this Law:

1) **proceeds of crime** - money or other assets obtained as a result of the commitment of a socially dangerous act;

2) **property** – all kinds of assets, tangible or intangible, material or non-material, movable or immovable, irrespective of the mode of their acquisition and the location, as well as legal documents or any kinds of deeds, including in electronic or digital form, certifying title to or interests in such assets or participation in them, including bank credits, traveller's cheques, bank cheques, postal orders, letters of credit, shares, bonds, promissory notes, and other payment instruments and securities, and entailing legal or fair interest, be it full or partial, in any of such property;

3) **money laundering (legalization of proceeds of crime)** – performing financial operations or other transactions by using money or other assets acquired illegally, as well as using such money or property for carrying out entrepreneurial or other type of business activities, their conversion or transfer into other form, as well as concealment or hiding of illegal origin of this money or assets with the purpose to legitimize their possession, use, disposition, or generating profit or other benefits from these actions;

4) **financing of terrorism** – collection or provision, made directly or indirectly or by any other method, of monetary, material and technical and other resources or rendering financial services with the view of their use or with understanding that they are to be used, in full or in part, for organizing terrorist act, by the terrorist or terrorist organization, as well as action (inaction) directed to support activities, related or not related to terrorist act, of terrorist, terrorist group, terrorist organization or organized group, illegal armed group or criminal group, created to achieve these purposes.

5) **predicate offence** – a crime stipulated by the Criminal Code of Turkmenistan, as a result of which money or other assets are obtained, and commitment of which has mandatory element of another crime, and in relation to which it is a predicate offence;

6) **transactions with monetary funds or other assets** - actions of individuals and legal entities (reporting entities) with monetary funds or other assets regardless of the form and way of performance thereof, directed to establishing, changing or terminating civil rights and liabilities connected therewith;

7) **suspicious transaction with monetary funds and other assets** (hereinafter – the suspicious transaction) – transaction of the client (including attempt to perform such transaction, or ongoing transaction, or transaction which was already performed), in relation to which there are suspicions that money or other assets used to make such transaction, are proceeds of crime, or in cases when transaction itself is aimed to legalize proceeds of crime, or financing of terrorism or any other criminal activity;

8) **public policy authority** – the state agency established by the decision of the Cabinet of Ministers of Turkmenistan and authorized to take appropriate actions aimed at implementation of the state policy related to anti-money laundering and combating the financing of terrorism;

9) **authorized body** – the state agency, authorized pursuant to this Law to receive, collect, process, analyze, use and transfer the information about suspicious transactions and about situations, which are potentially related to legalization of proceeds of crime, the financing of terrorism or a predicate offence;

10) **internal control** – activities of the entity performing transactions with monetary funds or other assets to carry out activities stipulated in this Law;

11) **beneficiary** – an individual getting benefit by receiving financial payment, income and other advantages and benefits according to the contract or the certificate of indebtedness.

The following persons may be recognized as beneficiaries:

a) persons receiving income from their property, which is under trust management or used by the third parties (letting or leasing movable or immovable property, transfer of shares for the use of broker, etc.);

b) recipients of the insurance compensations appointed by the insurant, in this case the beneficiary is specified in the insurance policy. If the beneficiary specified in the insurance contract dies before payments date, the person who has inherited the rights becomes the beneficiary;

c) persons specified by issuing bank as the owner of the documentary letter of credit;

d) persons receiving financial benefit from the trust;

e) recipients of money in the collection of payment;

f) recipients of the bank certificate of deposit and others.

12) **business relations** – relations established on the basis of the document or without document within the specific timeframe, aimed at achieving the certain goal;

13) **shell bank** – a bank registered and licensed for performing banking operations in the states and territories, where it is not physically present, and which is not affiliated with any regulated financial group that is being under effective supervision of these states and territories;

14) **mandatory control** – combination of measures on collection, processing, analyzing and using information related to operations involving money and other assets, carried out by the authorized body or person performing these operations involving money or other assets, in accordance with this Law;

15) **offshore zones** – zones with the special favorable conditions created by the state for providing service for non-residents to perform banking, insurance and other operations and transactions, preferential taxation or registration of legal entities;

16) **country with inadequate system** – country which does not implement, or does not sufficiently implement the recommendations of the Financial Action Task Force on Money Laundering (FATF);

17) **public official** – includes foreign public official, national public official, and officials of international organization:

a) **foreign public official** – a person appointed or elected, holding a position in legislative, executive, administrative or judicial body of a foreign state, as well as any person who is performing or have performed some public function for a foreign state;

b) **national public official** – a state official who is holding or has held public position with defined scope of authority and certain level of responsibility, who has or had a right, pursuant to the law, to make decisions related to the implementation of public service tasks, according to the law, as well as eminent figures of political parties;

c) **officials of international organizations** – members of management structure, including chairmen, their deputies and members of the board or person, who is holding or has held similar positions.

18) **assessment of national risks and application of risk-based approach** – defining and assessing the risk of money laundering and financing of terrorism with a view to ensure

correspondence of measures on decreasing such risk with the revealed risks;

19) **analysis** – analysis of the information related to suspicious transactions, as well as the transactions, which are subject to mandatory control in accordance with this Law, other information related to predicate offences and with legalization of proceeds of crime and the financing of terrorism;

20) **identification** – verification of information about clients, their authorized parties and beneficiaries, and set of measures, specified in this Law, on approval of methods of use of original documents or their copies that have been certified in accordance with the established procedure in order to verify the provided information;

21) **cash and negotiable instruments payable to bearer** – cash and other cash instruments in anonymous form payable to bearer, such as traveller's cheques, exchange instruments (including cheques, promissory notes and money orders), which can be circulated without restrictions and can be written out in the name of fictitious payee, or in the form that transfers the right for him upon receiving. This includes unfilled instruments (including cheques, promissory notes and money orders), signed but without indication of the name of the payee;

22) **converting the proceeds of crime into cash** – actions performed by individuals and legal entities with the purpose to receive cash by using documents in the fraudulent operation aimed to legalize the money;

23) **trust** – transfer of money or other assets by one person (the founder of a trust) to trust management of another person (manager) under the condition that the manager in his actions with regard to this money or other assets follows the requirements and instructions of the founder of a trust;

24) **competent authority of a foreign state** – authority of a foreign state which, in accordance with its legislation, is implementing measures on anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction.

## **Article 2. Legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism**

1. The legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism shall be based on the Constitution of Turkmenistan and shall consist of the present Law and other normative and legal acts of Turkmenistan.

2. If an international treaty of Turkmenistan establishes rules that differ from those stipulated in this Law, the rules of the international treaty shall be applied.

## **Article 3. Objectives and scope of application of this Law**

1. The primary objective of this Law shall be prevention and revealing of the activities related to money laundering, the financing of terrorism, and those related to predicate offence.

2. This Law with the objective of preventing, revealing and suppressing actions related with monetary funds laundering and the financing of terrorism shall regulate the following:

1) procedure of performing transactions with monetary funds and other assets by the legal entities and individuals;

2) activities of subsidiaries, representative offices and branches of legal entities that are residents of Turkmenistan located in the foreign states;

3) operating procedures of the state authorities performing supervision over the performance of transactions with monetary funds and other assets on the territory of Turkmenistan.

3. The present Law shall define legal framework for establishing state body authorized to receive, analyze and disseminate information regarding suspicious transactions as well as transactions that are subject to mandatory control in accordance with this Law.

4. The requirements of this Law may be applied in respect of legal entities and individuals performing transactions with monetary funds and other assets outside of Turkmenistan in accordance with the international treaties of Turkmenistan.

5. The requirements of this Law shall be also applied in respect of legal relationship in the sphere of combating the financing of proliferation of weapons of mass destruction and extremism.

## **Chapter II. PREVENTION OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

### **Article 4. Reporting entities performing transactions with monetary funds and other assets**

For purposes of this Law, the entities performing transactions with monetary funds and other assets (hereinafter – reporting entities) shall include:

- 1) credit institutions;
- 2) stock exchanges;
- 3) insurance organisations, insurance brokers;
- 4) agencies performing leasing activities;
- 5) pawnshops;
- 6) professional participants of the security market;
- 7) notaries;
- 8) attorneys and other license holders providing legal services in the cases when they on behalf of or by instruction of a client participate in transactions with monetary funds and other assets with regard to the following activities:
  - a) purchase and sale of real estate;
  - b) managing client's money, securities and other assets;
  - c) managing bank accounts or securities accounts;
  - d) preparation and execution of operation on establishment of legal entities, ensuring management of legal entity and purchase and sale of enterprises;
- 9) accounting entities performing entrepreneurial activities in the field of accounting and financial reporting, audit organizations, auditors;
- 10) organizers of auctions;
- 11) legal entities and individuals, which are organizers of gambling and lotteries;
- 12) casino;
- 13) realtors and real estate agencies;
- 14) organizations of postal services and telegraph communication services, providing money transfer services, and other organizations handling accounts and payments;
- 15) legal entities providing trust services or services related to establishment of enterprises;
- 16) entities involved in purchase and sale of real estate, precious metals and precious stones, jewelry made out of them and scratched items;
- 17) customs authorities controlling transportation of cash and negotiable instruments payable to bearer by the residents and non-residents of Turkmenistan through the customs border of Turkmenistan;
- 18) authorities controlling and registering goods and other assets, including vehicles imported to Turkmenistan, exported from Turkmenistan and being transited through the country, as well as maintaining an information database;
- 19) authorities registering vehicles and other assets, which are subject to state registration, and maintaining an information database.

### **Article 5. Transactions with monetary funds or other assets, subject to mandatory control**

1. Transaction with monetary funds and other assets, including several interconnected operations (transactions) executed within ten days, shall be subject to mandatory control, if due to its nature, it is related to one of the types of operations, stipulated in item 2 of this Article, or

if its amount equals or exceeds the threshold specified by the public policy authority taking into consideration the nature and characteristics of such operation.

In case if operation with monetary funds and other assets is performed in a foreign currency, its amount in the national currency shall be determined by using the official rate of the Central Bank of Turkmenistan, valid on the date of performance of such operation.

2. Transactions with monetary funds or other assets, subject to mandatory control, shall include:

1) internal and external operations (transactions) performed by banks and other credit institutions, which have a right to open and maintain bank accounts (deposits), by the nature of operation (transaction), raising suspicion in its feasibility;

2) depositing or transfer of money into a bank account of the client by an individual or legal entity with appropriate registration, place of residence or location in the offshore zone, as well as having a bank account registered in the offshore zone, or transfer of money by the client in favor of the specified category of persons both as one-off transaction and transactions carried out during seven consecutive calendar days;

3) operations, including depositing or transfer of money into an account, provision or receiving of loan, operations with securities or other operations, if at least one of the parties is an individual or a legal entity having registration, place of residence or location in the state (on the territory), where it is not envisaged to disclose or provide information in the process of performance of financial operations, or which does not participate in the international cooperation in the sphere of anti-money laundering and combating the financing of terrorism, or one of the parties is an owner of an account in the bank registered in such state (on such territory);

The list of these states and territories shall be determined by the Cabinet of Ministers of Turkmenistan on the basis of the lists submitted by the public policy authority and approved by international organizations acting in the field of anti-money laundering and combating the financing of terrorism;

4) operations with the use of cash:

a) withdrawal from an account or depositing into an account of a legal entity of cash funds in the events, which are not determined by the character of its economic activity;

b) withdrawal from an account or depositing into a bank account of a client, both as one-off transaction and transactions, carried out during seven consecutive calendar days;

c) purchase, sale and exchange of foreign currency in cash by an individual through exchange offices;

d) acquisition by an individual of securities for cash;

e) receipt of money by check or promissory note as one-off transaction or transactions carried out during seven consecutive calendar days;

f) receiving cash by an individual via a bearer's cheque issued by a non-resident;

g) exchange of banknotes of one denomination for banknotes of other denomination;

h) contributing by an individual of cash funds to the authorized capital of a legal entity;

i) import to Turkmenistan or export from Turkmenistan of cash, documented bearer's securities, promissory notes, cheques, except for import and export performed by the Central Bank of Turkmenistan, banks and postal authorities;

5) operations under bank accounts (deposits);

a) crediting of money to deposit account with registration of documents certifying a bearer's deposit;

b) opening a deposit account in favor of the third parties by crediting cash to such account;

c) transfer of money to anonymous account (deposit) opened abroad, and receipt of money from anonymous (deposit) account from abroad, performed as one-off transaction and transactions performed during seven consecutive calendar days;

d) crediting of funds to the account of the legal entity or writing off the funds from the account of the legal entity if the period of its activity does not exceed three months from the day

of its registration, or crediting of funds to the account or writing off the funds from the account of the legal entity if no transaction on such account have been performed since the day of its opening;

e) payments and transfers of money, performed by a client to another person on a gratuitous basis;

f) depositing, transfer of pension contributions to the voluntary pension insurance fund, as well as making payments from voluntary pension insurance fund at the expense of pension contributions;

6) other transactions with movable property:

a) placement of precious metals, precious stones, jewelry made out of them and scratched items or other valuables into a pawnshop;

b) making insurance payment or receiving insurance fee (insurance premium);

c) obtaining or providing property under a leasing contract;

d) purchase and sale and other operations with precious metals, precious stones and jewelry made thereof;

e) acquisition (sale), import into Turkmenistan, or export from Turkmenistan of items of cultural value;

f) receiving money as payment for participation in a lottery, totalizator (pari-mutuel) and other risk-based games (including in electronic form), and payment of money as the prize received from participation in such games;

g) providing interest-free loans to individuals or to other legal entities, as well as receiving of such loans;

h) deals for rendering the services, including contracts for shipment, transport expedition, storage, commissions, trust management of property, except for safe (lock box) services;

i) transactions with securities.

3. Suspicious transactions shall be subject to mandatory control regardless of the form of their performance or their amount that they are performed with or could be performed with.

The public policy authority shall approve features of determining a suspicious transaction.

4. Transaction with immovable property and other assets subject to state registration shall be subject to mandatory control if its amount equals or exceeds the threshold set by the public policy authority taking into consideration the nature and characteristics of such transaction.

5. Operation with monetary funds or other assets shall be subject to mandatory control when at least one of the parties is a legal entity or an individual in relation to which there is information received, in accordance with the procedure established by this Law, about their connection to terrorism or extremist activity, or when a legal entity directly or indirectly is owned or under control of such individuals or legal entities, or when an individual or legal entity acting on behalf of or by order of such individuals or entities.

The procedure of determining and disseminating the list of such individuals and entities to individuals and entities performing transactions shall be set by the public policy authority.

The following shall constitute grounds for inclusion of individuals or legal entities into such list:

a) court decision entered into legal force on liquidation or prohibition of activity of the legal entity due to its involvement in terrorism or extremist activity;

b) court sentence entered into legal force on declaring an individual guilty in committing a terrorist crime;

c) lists of entities and individuals related to terrorist or extremist organizations or terrorists, set by international organizations combating terrorism or by bodies authorized by them and accepted by Turkmenistan;

d) verdicts (decisions) of courts and decisions of other competent authorities of foreign states in respect to legal entities or individuals involved in terrorist or extremist activities, recognized by Turkmenistan in accordance with its international agreements.

6. Information regarding the transactions with monetary funds and other assets subject to mandatory control shall be submitted directly to the authorized body by reporting entities.

7. The following shall constitute mandatory grounds for reviewing by reporting entity of transactions made by the client, and documenting results of such review in accordance with Article 6 of this Law:

1) performance by the client of complex, unusually large transaction with monetary funds and other assets, or transaction which has no obvious economic sense or apparent lawful objective;

2) performance by the client of actions, directed at avoiding due diligence or mandatory control, stipulated by this Law;

3) performance by the client of transaction with monetary funds and other assets, for which there is a reason to believe that this transaction is aimed at conversion of proceeds of crime into cash;

4) performance of transaction with monetary funds and other assets, participant of which is an entity (individual), registered (residing) in the state (on the territory), which is a country with inadequate system, as well as by using account in the bank, registered in such state (territory).

The list of the countries with inadequate system shall be composed by the authorized body by taking into consideration the documents issued by the Financial Action Task Force on Money Laundering (FATF) and shall be sent to the respective state authorities, which disseminate this list to reporting entities.

#### **Article 6. Customer due diligence by reporting entities**

1. Reporting entities must take measures on due diligence of their clients (their representatives) and beneficiaries in accordance with the legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism.

2. Reporting entities shall perform due diligence of customers (their representatives) and beneficiaries when:

1) establishing business relations with a client;

2) performing transactions with monetary funds and other assets subject to mandatory control, including suspicious operations;

3) there are grounds for doubt about authenticity of the previously obtained data about a client (his representatives), beneficiary.

3. Due diligence of clients (their representatives) and beneficiaries performed by reporting entities shall include following measures:

1) recording the information required for identification of an individual: data of the personal identification document, the personal identification number (except for the cases when an individual is not assigned a personal identification number in accordance with the legislation of Turkmenistan), as well as the legal address;

2) recording the information required for identification of a legal entity (branch, representative office): data on state registration of a legal entity (branch, representative office), identification number (except for the cases when a legal entity is not assigned an identification number in accordance with the legislation of Turkmenistan) or registration number of a legal entity – non-resident in a foreign state, as well as the registered address of actual location;

3) determining the beneficiary and recording the information required for his identification, in accordance with item 1 of the present Article, except for the legal address.

With a view of determining the beneficiary of the client - legal entity performing transactions, the structure of client's property and management shall be defined based on the constituent documents and the registry of shareholders of such client or the information received from other sources.

In case if as a result of measures stipulated by the present clause the beneficiary of the client -legal entity has not been determined, it shall be accepted to recognize a sole executive body or the head of the collegial executive body of the client -legal entity as the beneficiary.

Recording the information required for identification of the beneficiary shall be performed based on the information and documents provided by the client (his representative) or received from other sources;

4) determination of a presumptive purpose and nature of business relations;

5) conducting continuous due diligence on the business relationship and scrutiny of operations (transactions) performed by a client through these reporting entities, including, where necessary, receiving and recording information about the source of funds of performed operations (transactions);

6) verification and updating of information about the client (his representative) and beneficiary.

Verification of information required for identification of client (his representatives), beneficiary, shall be performed by checking the information against the data in original documents or certified copy of respective documents or through checking against available sources.

With regard to client's representative, additional checking shall be performed to verify the authorities of such person to act on behalf or in the interest of the client.

Updating of the information shall be performed when there are grounds for doubt about authenticity of the previously obtained data about the client, beneficiary, as well as in cases stipulated by the internal control regulations.

If the amount of operation (transaction) does not exceed the threshold set by the public policy authority, the measures stipulated in the present Article shall not be taken in the following cases:

1) when client – an individual is performing operation (transaction) to allocate money to the bank account of individual via equipment intended for receiving cash;

2) when client is making non-cash payment or money transfer without using the bank account, except for cases when client performs a suspicious transaction;

3) when client – an individual is performing operation (transaction) to purchase, sale or exchange cash in foreign currency in the exchange office, except for cases when client performs a suspicious transaction;

4) when client – an individual is performing operation (transaction) by using a payment cards, which are not the access devices to the bank account of such client.

5. Due diligence of clients (their representatives) and beneficiaries by reporting entities shall be carried out in accordance with the internal control regulations.

6. Reporting entities shall have the right to require from the client (his representative) provision of information and documents necessary for identification of client (his representative), determination of beneficiary, as well as provision of information about tax residency, type of activity and source of financing of performed transaction.

Clients (their representatives) shall be obliged to provide to reporting entities the information and documents required for execution of their duties, stipulated by the present Law.

7. Reporting entities specified in subitems 1-3 and 6 of article 4 of the present Law can rely on the measures stipulated by subitems 1, 2 and 4 of item 3 of the present Article, implemented with regard to respective clients (their representatives) and beneficiaries by other reporting entities, as well as foreign financial organizations provided that the following conditions are met:

1) reporting entity, which relies on due diligence measures taken by other entity performing transactions, or foreign financial organization, must immediately obtain data about the client (his representative), beneficiary, including copies of certifying documents, in the framework of measures stipulated by subitems 1, 2 and 4 of item 3 of the present Article;

2) the entity performing transaction, which relies on due diligence measures taken by the foreign financial organization, should determine whether the activity of such foreign financial organization is subject to licensing, regulation and supervision in the state where it is registered, and that such foreign financial organization takes due diligence measures similar to requirements of the present Article.

**Article 7. Customer due diligence in the event of establishment of business relations with a client**

Reporting entities, except for cases specified in item 4 of Article 6 of the present Law, shall take measures stipulated by subitems 1-4 of item 3 of article 6 of the present Law, prior to establishment of business relations with customers.

**Article 8. Customer due diligence during performance of transactions subject to mandatory control**

1. Reporting entities, prior to processing the transactions subject to mandatory control, in accordance with Article 5 of the present Law, shall take measures stipulated by subitems 1-2 of item 3 of Article 6 of the present Law, except for cases when such measures are taken upon establishment of business relations.

2. When making non-cash payments or transferring money based on the instructions of clients, except for payments and money transfers with the use of payment cards, as well as in cases stipulated in subitems 1 and 4 of item 4 of Article 6 of the present Law, credit institutions shall ensure the presence in the payment document and provision to participant of the payment (money transfer) of requisites, stipulated by the legislation of Turkmenistan, including:

a) surnames, name, patronymic (if available) or full or abbreviated names (for legal entities) of sender and recipient of money (beneficiary);

b) individual identification codes of sender and recipient (beneficiary), if money transfer is performed by using a bank account, or the number indicated in payment or money transfer, if money transfer is performed without using a bank account;

c) identification number or the address of the sender of money (for individuals and legal entities) or number of identification document of the sender of money (for individuals).

3. Upon receiving payment or money transfer from international financial organization, the credit institutions shall control the presence in the payment document of information specified in item 2 of the present Article, and register and store the information required for identification of recipient of money transfer without the use of bank account.

**Article 9. Due diligence of public officials**

1. Reporting entities, besides the measures specified by item 3 of Article 6 of this Law, in respect of foreign public officials and public officials of international organizations additionally shall be obliged to:

1) check a client's affiliation with a foreign public official and public official of international organization, their family members or close relatives;

2) assess the reputation of a foreign public official and public official of international organization in relation to his involvement in cases of legalization of proceeds of crime or the financing of terrorism;

3) obtain a permission of a senior official of an organization for establishment, continuation of business relations with such client;

4) take available measures to establish the source of funds.

2. Due diligence of national public officials by reporting entities shall be carried out in accordance with the procedure established by the legislation of Turkmenistan.

**Article 10. Due diligence in the process of establishment of correspondent relations with foreign financial institutions**

1. Reporting entities specified in item 1 of Article 4 of this Law, besides the measures stipulated by item 6 of this Law, upon establishment of correspondent relations with foreign financial institutions additionally shall be obliged to:

1) collect and document the information about the reputation and nature of activity of a foreign financial institution – respondent, including information about application of sanctions for violation of legislation of the country of its registration on anti-money laundering and the financing of terrorism;

2) document the information regarding internal control measures undertaken by a foreign financial institution – respondent in accordance with the legislation of the country of its residence on anti-money laundering and the financing of terrorism, as well as assess the effectiveness of such internal control measures;

3) not to establish or not to maintain correspondent relations with shell banks;

4) make sure that a foreign financial institution – respondent refuses to use its accounts by shell banks;

5) obtain a permission of a senior official of an organization for establishment of new correspondent relations.

2. The fact indicating that a foreign financial institution-respondent has correspondent relations with shell banks shall be determined based on the information provided by a foreign financial institution - respondent and received by the reporting entity, as well as from the other sources.

### **Article 11. Collection of data and documentary proof in due diligence**

1. Reporting entities, upon conducting customer due diligence, shall be obliged to document the information about a client based on the list of documents required for performing due diligence by types of reporting entities, which shall be defined by the authorized body in coordination with respective state agencies.

2. Data about operations (transactions) subject to mandatory control shall be submitted by the reporting entities to the authorized body in the form, which shall contain following sections: introduction, information about the entity performing transactions, information about an operation (transaction) and participants of operation (transaction), additional information about an operation (transaction) subject to mandatory control. This form shall be defined by the rules set by the public policy authority.

Data about operations (transactions) subject to mandatory control, stipulated in items 1 and 2 of Article 5 of this Law, shall be documented and submitted to the authorized body by the reporting entities, in a state language:

1) by those specified in items 1-3, 6 and 14 of Article 4 of this Law – electronically not later than the working day following the date of performance of the operation (transaction) via allocated communication channels, except for the legal entities, whose only type of activity is organization of exchange operations with a foreign currency;

2) by the legal entities, whose only type of activity is organization of exchange operations with foreign currency, electronically via allocated communication channels or on a hard copy not later than the working day following the date of performance of the operation;

3) by those specified in items 7-13 and 15-16 of Article 4 of this Law, - electronically via allocated communication channels or on a hard copy not later than the working day following the date of performance and detection of the operation (transaction).

3. Data about operations (transactions) subject to mandatory control shall not be submitted by:

1) attorneys, if this data is obtained in connection with rendering legal assistance on the issues of representation and protection of individuals and legal entities in the agency of inquiry, preliminary investigation, the courts, as well as in connection with rendering legal assistance by them in the form of consultations, explanations and written opinions on the issues, resolution of which requires the legal knowledge, preparations of statements of claim, complaints and other documents of legal nature;

2) notaries, if this data is obtained by them in connection with rendering legal assistance in form of consultations, explanations concerning the issues, resolution of which requires the legal knowledge.

4. In order to receive the required information from reporting entities on previous operations (transactions) subject to mandatory control, including on suspicious transactions, the authorized body shall send an inquiry to the reporting entity to provide the required information and documents.

With the purposes, specified in item 2 of this Law, the authorized body shall send an inquiry to the entity performing transactions to provide the required information and documents.

Reporting entity shall be obliged, upon receiving an inquiry from the authorized body, to provide the required information and documents on operations (transactions) subject to mandatory control:

1) in accordance with items 1 and 2 of Article 5 of this Law within three working days from the date of receipt of respective inquiry;

2) in accordance with item 7 of Article 5 of this Law within twenty four hours after receipt of respective inquiry.

5. Costs related to transfer of information to the authorized body about the operation (transaction) subject to mandatory control, obtained during the performance of customer due diligence, shall be covered by the reporting entities.

#### **Article 12. Carrying out of internal control by reporting entities**

1. Reporting entities shall take measures, under which their services will not be used by others for the purposes of committing or assisting in the legalization of proceeds of crime and the financing of terrorism, including implementation of measures on application of risk-based approach.

2. Reporting entities, in order to prevent the legalization of proceeds of crime and the financing of terrorism shall develop internal control regulations and programs of its implementation, and shall bear responsibility for compliance with regulations and implementation of programs.

3. The internal control regulations shall be developed, adopted and performed by reporting entities, and in addition to the requirements applied to the activities of reporting entities, in the process of conducting internal control, stipulated by this Law, shall include:

1) the program of organization of internal control for the purposes of anti-money laundering and combating the financing of terrorism;

2) the program of risk management of anti-money laundering and combating the financing of terrorism, which takes into consideration the risks of clients and risks of using the services for criminal purposes, including the risk of application of technological innovations;

3) the program of identification of clients;

4) the program of control and scrutiny of operations (transactions) of clients, including the scrutiny of complex, unusually large and other unusual operations (transactions) of clients;

5) the program of preparation and training of employees of reporting entities with regard to anti-money laundering and combating the financing of terrorism;

6) other programs, which can be developed by reporting entities, in accordance with the internal control regulations.

4. Reporting entities shall ensure compliance with and implementation of internal control regulations by their branches, representative offices, subsidiaries, located in Turkmenistan and abroad, unless contrary to applicable law of the country where the entities have their registered offices.

Reporting entities shall be obliged to inform the authorized body about the facts of impossibility of compliance with and implementation of internal control regulations by their branches, representative offices, subsidiaries located outside of Turkmenistan, in view of the contradiction to the legislation of the country where they have their registered offices.

5. Requirements with regard to the internal control regulations aimed at anti-money laundering and the combatting of financing of terrorism to be applied according to the types of reporting entities shall be set by the combined normative and legal acts of the authorized body and respective government agencies.

6. Documents and information obtained as a result of customer due diligence, including information about a customer and correspondence with him, shall be stored by the reporting entities for not less than five years from the date of termination of business relations with such customer.

Documents and information about transactions with monetary funds and other assets subject to mandatory control, about suspicious transactions, as well as the results of scrutiny of complex, unusually large and other unusual operations (transactions) shall be stored by the reporting entities for not less than five years from the date of performance of such operation (transaction).

7. Reporting entities and their employees providing information to the authorized agency about such customers and operations (transactions) performed by them shall not have the right to notify the customers and other persons about it, in accordance with this Law.

8. Provision of information and documents to the authorized body by the reporting entities for the purposes and in accordance with the procedure stipulated by the current Law shall not be deemed as disclosure of state or other legally protected secrecy.

9. In case of provision of information to the authorized body in accordance with the present Law, the reporting entities, their officers, regardless of the outcomes of information provision, shall not be liable under the legislation of Turkmenistan, as well as under a civil law contract.

10. Requirements applied to the reporting entities with regard to preparation and training of employees shall be approved by the authorized body in coordination with respective state agencies.

### **Article 13. List of individuals and legal entities related to financing of terrorism**

1. The authorized body shall compile a list of individuals and legal entities related to financing of terrorism, and shall ensure the access of reporting entities to such list.

2. A state agency, which, within its competence, performs statistical work in the field of legal statistics and special records, as well as other competent state authorities, shall forward a list of individuals and legal entities indicated in item 4 of this Article to the authorized body

3. The list of individuals and legal entities related to financing of terrorism shall be updated according to information provided to the authorized body by the state agency, which performs within its competence statistical work in the field of legal statistics and special records, as well as other competent state authorities.

The following shall constitute grounds for inclusion of individuals or legal entities into the list of individuals and legal entities related to financing of terrorism:

1) court decision entered into legal force on liquidation of the legal entity due to its engagement in terrorist or extremist activities;

2) court decision entered into legal force on recognition of a foreign or an international organization carrying out terrorist or extremist activities in the territory of Turkmenistan and another state as extremist or terrorist organization, including on determination of the fact that it has changed its name;

3) court sentence entered into legal force on declaring an individual guilty in committing a crime containing the features of extremism;

4) verdicts (decisions) of courts and decisions of other competent authorities of foreign states in respect to legal entities or individuals engaged in terrorist or extremist activities, recognized by Turkmenistan in accordance with its international treaties;

5) presence of an individual or legal entity in the lists of organizations and individuals related to terrorist organizations or terrorists, composed by international organizations combating terrorism or by bodies authorized by them, in accordance with the international treaties of Turkmenistan;

6) information provided by the law enforcement and other state agencies of Turkmenistan regarding involvement of an individual or legal entity in the terrorist and extremist activities.

5. Exclusion of an individual or a legal entity from the list of individuals and legal entities related to financing of terrorism shall be performed on the basis of information about termination of circumstances that served as grounds for their inclusion to such list.

#### **Article 14. Refusal to perform transactions with monetary funds and other assets and suspension of such transactions**

1. Reporting entities shall be obliged to refuse to establish business relations with an individual or legal entity, as well as perform transactions with monetary funds and other assets in the event if it impossible to take measures stipulated by subitems 1-2 and 4 of item 3 of Article 6 of this Law.

Reporting entities shall have the right to discontinue business relations with a client in the event if it is impossible to take measures stipulated by subitem 6 of item 3 of Article 6 of this Law, as well as in the event if during scrutiny of operations (transactions) performed by a client a suspicion occurs indicating that business relations are used by a client with the purpose to legalize proceeds of crime or to finance terrorism.

2. Reporting entities immediately upon receiving the information that the authorized body included an individual or legal entity into the list, stipulated by item 1 of Article 13 of this Law, shall be obliged to:

1) suspend debit transactions under the bank accounts of such individual or legal entity, as well as under the bank accounts of a client, beneficiary of which is such individual;

2) suspend execution of instructions related to a payment or money transfer without the use of the bank account of such individual, as well as instructions of a client, beneficiary of which is such individual;

3) block securities, monetary funds held in the accounts of such individual or legal entity, as well as in the accounts of a client, beneficiary of which is such individual;

4) refuse to perform any other transactions with money and other assets carried out by such individual or legal entity, or in their favor, as well as by a client, beneficiary of which is such individual, or in his favor.

Debit transactions under the bank accounts, securities transactions, as well as other transactions with monetary funds and other assets of individuals and legal entities included into the list of individuals and legal entities related to financing of terrorism, stipulated by item 1 of Article 13 of this Law, may be performed by reporting entities on the basis of court decisions, collection orders of customs and tax authorities, orders of customs and tax authorities on claims upon property with limited use, as well as after exclusion of an individual or legal entity from the above mentioned list in accordance with the procedure established by this Law.

3. Upon recognition of an operation (transaction) to be suspicious the reporting entities, in order to prevent and suppress the facts of money laundering and the financing of terrorism, shall be obliged to inform immediately the authorized body about such operation (transaction) before processing it.

Information on suspicious operations (transactions), which cannot be suspended, shall be provided by reporting entities to authorized body not later than three hours after they occurred, or within twenty-four hours after revelation of such operation (transactions).

Information about operation (transaction) recognized as suspicious after its processing shall be provided by the reporting entity to the authorized body not later than the working day following the date of its recognition as a suspicious operation (transaction).

Reporting entities shall provide to the authorized body the information about the facts of refusal to the individual or legal entity in establishment of business relations, termination of business relations with a client, refusal in performing transactions with monetary funds and other assets on the basis stipulated by item 1 of this Article, as well as about the facts of suspension of operations (transactions) in cases stipulated by item 2 of this Article, not later than the working day following the date a respective decision is taken by the reporting entity.

4. The authorized body, having received information stipulated by paragraph 1 of item 2 of this Article, within twenty-four hours after receipt of such information shall make a decision on suspension of a suspicious operation (transaction) for a period of up to three working days in the event if information regarding suspicious operation (transaction) provided by the reporting entity on the basis of analysis performed by the authorized body is recognized to be reasonable.

The authorized body, having received information regarding suspicious operation (transaction), stipulated in subitem 1 of item 2 of Article 19 of this Law, shall have the right to suspend such operation (transaction) if, by the time of receipt of this information, such operation has not been performed.

The decision on suspension of suspicious operation (transaction) or on absence of necessity to suspend a suspicious operation (transaction) shall be made by the authorized body and shall be sent to the reporting entity, which has provided the information on suspicious operation (transaction), electronically or on a hard copy.

The decision of the authorized body on suspension of operations (transaction) shall be implemented immediately.

5. If the reporting entity within twenty-four hours from receipt of information does not receive a decision of the authorized body on suspension of a suspicious transaction or an absence of necessity to suspend such operation, the operation (transaction) shall be performed unless there are other reasons, stipulated by the normative and legal acts of Turkmenistan, preventing the processing of such operation (transaction).

6. The authorized body after making decision on suspension of performance of a suspicious operation (transaction) shall immediately send the information to the Prosecutor General's Office of Turkmenistan, which shall forward the information of the authorized body on suspension of a suspicious operation (transaction) to the law enforcement or other state agencies for decision-making in accordance with their competence.

Respective law enforcement and other state agencies shall be obliged to inform about their decision to the Prosecutor General's Office of Turkmenistan and to the authorized body.

The authorized body shall inform the reporting entity about the respective decision of the law enforcement and other state agencies within three hours upon receipt of information regarding such decision.

7. In case of receipt from the law enforcement and other state agencies of a decision on necessity to suspend a suspicious operation (transaction), provided in accordance with item 6 of this Article, and based on which there are reasons to believe that such operation (transaction) is intended to finance terrorism, the authorized body shall make a decision to suspend debit transactions under the bank accounts of entities, which are participants of such operation (transaction), up to fifteen calendar days.

The decision on suspension of debit transactions under the bank accounts of entities – participants of operation (transaction), with regard to which there are reasons to believe that they are intended to finance terrorism, shall be taken by the authorized body and communicated to reporting entities, stipulated in item 1 of article 4 of this Law.

The authorized body shall inform about suspension of debit transactions under the bank accounts to the Prosecutor General's Office of Turkmenistan, law enforcement and other state agencies, which have provided such decision.

8. Upon termination of suspension of a suspicious operation (transaction), based on the decision of the authorized body, an operation (transaction) shall be performed given no other

reasons stipulated by the normative and legal acts of Turkmenistan, preventing the processing of such operation (transaction).

9. Refusal to perform transactions, as well as suspension of a transaction with monetary funds and other assets in accordance with this Law, shall not constitute grounds for civil liability of reporting entities for violation of terms of respective agreements.

Suspension of transactions with monetary funds and other assets shall not constitute grounds for occurrence of civil legal liability of the authorized body for the damage, including for the loss of profit, occurred as a result of such suspension.

### **Article 15. Control over compliance with legislation of Turkmenistan on anti-money laundering and the financing of terrorism**

The control over implementation by reporting entities of legislation of Turkmenistan on anti-money laundering and the financing of terrorism in the part related to record-keeping, storing and providing information on transactions with monetary assets and other assets, subject to mandatory control, due diligence of customers (their representatives) and beneficiaries, suspension and refusal to perform operations (transactions) subject to mandatory control, protection of documents obtained in the process of fulfilment of their activities, as well as supervision of arranging and execution of internal control, shall be carried out by the authorized body and other state agencies in accordance with their competence and in the manner established by the legislation of Turkmenistan.

## **CHAPTER III. COMPETENCE OF AUTHORITIES ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM**

### **Article 16. Public policy authority**

1. The public policy authority shall perform following tasks on anti-money laundering and combating the financing of terrorism:

- 1) implement the state policy in accordance with its competence
- 2) participate in preparation and development of normative and legal acts of Turkmenistan and provide proposals on their improvement to the Cabinet of Ministers of Turkmenistan;
- 3) organize and manage activities on execution of obligations arising from the international treaties of Turkmenistan;
- 4) organize and coordinate activities on assessment of national risks, as well as reduction and elimination of such risks;
- 5) organize work on national risks assessment;
- 6) act as the coordinator of technical assistance and technical support projects of the governments of foreign states and international organizations;
- 7) approve training programs for entities providing information, organize training courses for them, including with attraction of international and foreign experts, define professional requirements for their employees, organize training of specialists in this area in Turkmenistan and abroad;
- 8) define scope of restrictions of operations stipulated in this Law and subject to mandatory control;
- 9) in accordance with its competence, implement other tasks stipulated by the legislation and international treaties of Turkmenistan, as well as recommendations of international organizations.

2. The public policy authority in the process of implementation of its tasks shall have the right to:

- 1) request, in accordance with the established procedure, from ministries and agencies, law enforcement, judicial bodies and other legal entities and individuals, irrespective of the form of ownership, any kind of information, including statistical and other information, in compliance

with the secrecy regime;

2) assess the activities of reporting entities, authorities controlling these entities, licensing agencies, as well as executive bodies on anti-money laundering and combating the financing of terrorism, request these authorities to implement the activities stipulated by this Law and take measures in relation to legal entities and individuals breaching the legislation in this field in accordance with the legislation of Turkmenistan, apply sanctions on them, stipulated by the legislation of Turkmenistan.

3. Activities of the public policy authority shall be financed at the expense of the State budget of Turkmenistan.

4. The Cabinet of Ministers of Turkmenistan may assign on the public policy authority other obligations not specified in this Law.

### **Article 17. Tasks and functions of the authorized body**

1. Tasks of the authorized body shall include:

1) implementation of the state policy in the field of anti-money laundering and combating the financing of terrorism;

2) prevention of money laundering and the financing of terrorism, coordination of activities of state agencies in this area jointly with the public policy authority;

3) creation of a unified information system and maintenance of national database in the field of anti-money laundering and combating the financing of terrorism;

4) cooperation and information exchange with competent agencies of foreign states in the field of anti-money laundering and combating the financing of terrorism;

5) representation of interests of Turkmenistan in international organizations on issues of anti-money laundering and combating the financing of terrorism.

2. For the purposes of combating money laundering and the financing of terrorism the authorized body shall:

1) collect and process information about transactions with monetary funds and other assets, subject to mandatory control in accordance with this Law;

2) carry out the analysis of received information, in accordance with the established procedure

3) coordinate activities of state agencies in the field of anti-money laundering the combating the financing of terrorism;

4) upon request of the criminal court, forward necessary information on transactions with monetary funds and other assets, subject to mandatory control for resolution of cases in court proceedings;

5) in accordance with the established procedure, upon the request of law enforcement and other state agencies, provide information about transactions subject to mandatory control;

6) if there are reasons to believe that a transaction with money and other assets is connected to anti-money laundering and the processing of terrorism, forward the information to the Prosecutor General's Office of Turkmenistan for notification purposes of law enforcement and other state agencies in accordance with their competence for taking a proceeding decision;

7) participate in development and implementation of programs of international cooperation in the field of anti-money laundering the combating the financing of terrorism;

8) organize setting up and maintenance of a database, as well as ensure methodological unity and coordinated functioning of information systems in the field of anti-money laundering and the combating the financing of terrorism;

9) develop and conduct activities to prevent violations of legislation of Turkmenistan in the field of anti-money laundering and the combating the financing of terrorism;

10) generalize the practice of application of legislation of Turkmenistan in the field of anti-money laundering and the combating the financing of terrorism, based on the information received from state agencies and other organizations, as well as develop and make proposals for its improvement;

11) familiarize with the international experience and practice on anti-money laundering and the combating the financing of terrorism;

12) carry out activities on re-training and skills development of personnel in the field of anti-money laundering and the combating the financing of terrorism;

13) in accordance with the established procedure, participate in the activities of international organizations, associations and other working groups in the field of anti-money laundering and the combating the financing of terrorism;

14) subject to an agreement of the Central Bank of Turkmenistan, define the list of offshore zones for the purposes of this Law;

15) exercise other powers set out by the present Law, other laws of Turkmenistan, acts of the President of Turkmenistan and the Cabinet of Ministers of Turkmenistan.

3. Activities of the authorized body shall be financed at the expense of the State budget of Turkmenistan.

### **Article 18. Rights and obligations of the authorized body**

1. The authorized body shall the right to:

1) request necessary information on transaction, subject to mandatory control, from the reporting entities, as well as from the state agencies of the Turkmenistan;

2) request, in accordance with the established procedure, from the legal entities and individuals any kind of information, including statistical and other information, in compliance with the secrecy regime, for implementation of tasks stipulated by this Law;

3) request from the agencies, specified in item 1 of this Article, within their competence, to take respective measures on assessment of national risks and application of risk-based approach for the purposes of anti-money laundering and combating the financing of terrorism;

4) make a decision on suspension of transactions with monetary funds and other assets in the event of detection of signs of suspicious transactions, which fall under one or several criteria set by item 7, Article 5 of this Law, within three calendar days;

5) participate in development of drafts of normative and legal acts and international treaties of Turkmenistan on anti-money laundering and combating the financing of terrorism;

6) exchange information with a competent body of a foreign state in the field of on anti-money laundering and combating the financing of terrorism;

7) enlist the services of, including on a contractual basis, research and other organizations, as well as individual specialists to carry out assessments, develop training programs, methodological guidelines, software and infoware, create information systems in the field of mandatory control in compliance with the requirements on protection of state or other legally protected secrecy.

8) participate in expert reviews, checks, inquiries and preliminary investigations conducted in connection with legalization of proceeds of crime and the financing of terrorism on the territory of Turkmenistan and abroad, as well as in the activities of national and international committees created for these purposes, on a temporary or permanent basis, obtain necessary information from them and provide them the available information;

9) in accordance with the procedure established by the legislation of Turkmenistan, conclude agreements on exchange of information, contracts, protocols and other documents on mutual understanding with international and regional organizations, respective foreign agencies, and engage respective agencies in implementation of the above activities and documents.

10) send notification on violation of the legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism to the respective state agencies;

11) jointly with law enforcement and other state agencies define the procedure of interaction on exchange and transfer of information related to legalization of proceeds of crime and the financing of terrorism.

2. The authorized body shall be obliged to;

1) take measures on anti-money laundering and combating the financing of terrorism;

- 2) ensure appropriate conditions for storage, protection and safety of documents, obtained during the performance of its activities, comprising state or other legally protected secrecy;
- 3) enforce rights and legitimate interests of an individual and a citizen, the legal entities and the state in the process of conducting mandatory control.
- 4) The Cabinet of Ministers of Turkmenistan may assign on the authorized body other obligations not specified in this Law.

#### **Article 19. Interaction of the authorized body with other state agencies of Turkmenistan**

1. The state bodies of Turkmenistan performing within their competence control over compliance with legislation on anti-money laundering and combating the financing of terrorism shall be obliged to:

- 1) provide information essential to the authorized body for implementation of tasks stipulated by this Law;
- 2) consider a notification of the authorized body on violation of legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism and within the time-limit specified by the legislation of Turkmenistan inform the authorized body about implemented measures;
- 3) ensure appropriate conditions for storage, protection and safety of documents, obtained during the performance of their activities, comprising state or other legally protected secrecy;
- 4) enforce rights and legitimate interests of an individual and a citizen, the legal entities and the state in the process of conducting mandatory control.

2. The state bodies of Turkmenistan shall be obliged to:

- 1) inform the authorized body of independently disclosed suspicious operations (transactions), including transactions on export (import) of goods (works, services) with prices obviously differing from market prices;
- 2) inform the authorized body of independently revealed violations of this Law;
- 3) provide, upon request of the authorized body, information from own information systems in accordance with the procedure established by the Cabinet of Ministers of Turkmenistan.

4) ensure appropriate conditions for storage, protection and safety of documents, obtained during the performance of their activities, comprising state or other legally protected secrecy.

3. Provision of information to law enforcement agencies on operations (transactions) subject to mandatory control is performed by the authorized body upon their written requests.

Law enforcement and other state agencies shall forward request with regard to cases and materials related to anti-money laundering and combating the financing of terrorism, which shall be registered in accordance with the procedure established by the legislation of Turkmenistan.

Execution of inquiries of law enforcement and other state agencies shall be carried out by the authorized body based on the information available at its disposal, as well as information obtained from the competent authorities of foreign states in the field of anti-money laundering and combating the financing of terrorism.

4. Provision of information on suspicious operations (transactions) to the authorized body in accordance with the procedure established by this Law shall not be deemed as disclosure of state or other legally protected secret.

5. Transfer of information regarding operation (transaction) subject to mandatory control, including a suspicious operation (transaction), by the authorized body to the Prosecutor General's Office of Turkmenistan, law enforcement and other state agencies, in accordance with the procedure established by the Law, shall not be deemed as disclosure of state or other legally protected secrecy.

6. The information regarding the operations (transactions) subject to mandatory control, as well as regarding the clients of reporting entities in the manner not stipulated by this Law, shall not be provided by the authorized body.

7. Collection of information on import to Turkmenistan and export from Turkmenistan of declared items of cultural value, cash, documented bearer's securities, promissory notes, cheques shall be performed by the customs authorities of Turkmenistan and must be further submitted to the authorized body pursuant to the procedure and within the time limit, specified by the legislation of Turkmenistan.

#### **Article 20. Ensuring conditions of secrecy of activities**

1. Entities, which are carrying out or have carried out activities for the authorized body and which had access to activities and confidential data, shall be obliged to comply with conditions of secrecy. Such entities shall not have a right to publish, inform or show the secret information and documents, even after resignation, without the permission of the authorized body.

Failure to fulfill this obligation shall involve liability prescribed in the legislation.

2. The specified documents and information available to the authorized body for the purposes of fulfillment of its authorities shall be considered a secret, and shall not be subject to disclosure, except for the following cases:

a) disclosure, publication and transfer of information, when the respective entity agrees with it.

b) publication of statistical data or reports in the generalized form in such manner that the involved entities cannot be identified even indirectly;

c) provision of information in accordance with the procedure established by this Law, upon receiving written requests from the public prosecutor's office and court, which is required by them for execution of their authorities, and in the event that there is a guarantee to ensure secrecy of information with regard to a person about whom information is being requested. In such cases, an agency requiring information must provide a legal ground justifying the necessity of information and shall bear responsibility for its safety.

3. Authorities, entities and state agencies receiving secret information from the authorized body shall comply with conditions of secrecy, set by this Article, take respective measures for the purposes of ensuring secrecy and use such information only for execution of tasks assigned on them by the legislation of Turkmenistan.

#### **Article 21. International cooperation in the field of anti-money laundering and combating the financing of terrorism**

1. Cooperation of the authorized body and other state agencies of Turkmenistan with competent authorities of foreign states in the field of prevention, detection, suppression and investigation of actions related to legalization of proceeds of crime and the financing of terrorism, as well as confiscation of these proceeds, shall be carried out in accordance with legislation and international treaties of Turkmenistan.

2. International cooperation in field of anti-money laundering and combating the financing of terrorism between the authorized body and the competent authority of a foreign state can be carried out by means of request and exchange of information.

Provision of information on legalization of proceeds of crime and the financing of terrorism shall be carried out upon the request of a competent authority of a foreign state provided that it will not be used for the purposes other than those specified in the request, or will not be transferred to the third parties without prior consent of the authorized body.

Transfer of information on legalization of proceeds of crime and the financing of terrorism to the competent authorities of a foreign state shall be carried out in the event that it does not affect the constitutional civil rights and freedoms of a person and a citizen and does not undermine the national security interests of Turkmenistan.

The authorized body, for the purposes of combating money laundering and the financing of terrorism, shall have the right to request information and documents from the competent authorities of a foreign state responsible for combating money laundering and the financing of terrorism.

The authorized body shall have right to use information and documents, obtained upon request, solely for the purposes of combating money laundering and the financing of terrorism.

The authorized body shall not have the right without prior consent of competent bodies of a foreign state, responsible for combating money laundering and the financing of terrorism, to transfer information and documents to a third party or use them in violation of conditions and restrictions, established by the competent bodies of a foreign state, where they have been requested from.

The authorized body shall have the right to conclude agreements with the competent authorities of the foreign states on issues of cooperation in the sphere of combating money laundering and the financing of terrorism, in accordance with the procedure established by the legislation of Turkmenistan.

4. The authorized body shall have the right to refuse a request of competent bodies of a foreign state in the following cases:

1) if the authorized body considers facts and circumstances contained in the request insufficient for suspicion in legalization of proceeds of crime and the financing of terrorism;

2) if provision of information will affect the course of criminal proceedings in Turkmenistan.

The authorized body shall notify a requesting competent body of a foreign state about refusal, indicating the reasons of refusal.

The authorized body shall have the right to impose additional conditions and restrictions on the use of information provided to the competent bodies of a foreign state, responsible for combating money laundering and the financing of terrorism.

5. Provisions of this Article shall be applied with respect to international cooperation, unless otherwise stipulated by the international treaties of Turkmenistan.

#### **Chapter IV. FINAL PROVISIONS**

##### **Article 22. Liability for violation of the legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism**

1. Violation of the legislation of Turkmenistan on anti-money laundering and combating the financing of terrorism shall lead to liability established by the laws of Turkmenistan.

2. Employees of the authorized body and other state agencies, as well as persons, which as a result of performance of their official duties have access to information comprising state or other legally protected secrecy, for disclosure of such information shall bear the liability established by the legislation of Turkmenistan.

3. The damage caused to individuals and legal entities by illegal actions of the authorized body and its employees in connection with performance of their tasks shall be compensated in accordance with the procedure established by the legislation of Turkmenistan.

##### **Article 23. Supervision over compliance with this Law**

The General Prosecutor of Turkmenistan and public prosecutors subordinate to him shall perform supervision over compliance with this Law.

##### **Article 24. Entry of this Law into force**

1. This Law shall enter into force on January 1, 2016.

2. The following shall be deemed to have lost force:

a) the Law of Turkmenistan “On anti-money laundering and combating the financing of terrorism”, adopted on May 29, 2009 (Bulletin of Medjlis (Parliament) of Turkmenistan, 2009, issue # 2, article 42);

b) the Law of Turkmenistan “On amendments and additions to the Law of Turkmenistan “On anti-money laundering and combating the financing of terrorism””, adopted on August 4, 2011 (Bulletin of Medjlis of Turkmenistan, 2011, issue # 3, article 58) and

c) the Law of Turkmenistan “On introduction of amendments” to the Law of Turkmenistan “On anti-money laundering and combating the financing of terrorism”, adopted on October 1, 2011 (Bulletin of Medjlis of Turkmenistan, 2011, issue # 4, article 79).

3. The normative and legal acts of Turkmenistan, which are contrary to the present Law, shall be adjusted in accordance with this Law. .

**President of  
Turkmenistan**

**Gurbanguly  
Berdimuhamedov**

*Ashgabat*  
*August \_\_\_\_\_, 2015*  
*№ \_\_\_\_\_*