LAW OF THE REPUBLIC OF TAJIKISTAN

ON COMBATING MONEY LAUNDERING AND TERRORIST FINANCING

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This Law establishes the legal basis and regulates public relations to ensure the protection of the rights and legitimate interests of citizens, society and state by creating a legal framework for combating money laundering and terrorist financing.

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

In this Law, the following terms shall have the following meanings:

- "proceeds of crime" means funds or any property derived from or obtained through the commission of a socially-dangerous act preceding money laundering;

- "money laundering" means carrying out property or any other transactions involving proceeds known to have been obtained by criminal means, the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, as well as the use of such proceeds for entrepreneurial or other economic activities, or their use for other purposes;

- "property (assets)" means assets of any kind, whether tangible or intangible, movable or immovable, however acquired, as well as legal documents or instruments in any form, including electronic or digital, evidencing title to such assets or interest therein, including bank loans, traveller's checks, bank checks, money orders, shares, securities, bonds, drafts, letters of credit, etc.;

- "terrorist financing" means provision or raising of funds, directly or indirectly, for the purpose of their full or partial use, or in the knowledge that they will be used, by a terrorist, terrorist organization, as well as for organization, preparation and commission of terrorist acts, including offences provided for by [Articles 179](1658.htm#St179), [179.1](1658.htm#St1791), [179.3](1658.htm#St1793), [181](1658.htm#St181), [182](1658.htm#St182), [184](1658.htm#St184), [184.1](1658.htm#St1841), [184.2](1658.htm#St1842), [184.3](1658.htm#St1843), [184.4](1658.htm#St1844), [185](1658.htm#St185), [193](1658.htm#St193), [194](1658.htm#St194), [194.1](1658.htm#St1941), [194.2](1658.htm#St1942), [194.3](1658.htm#St1943), [194.4](1658.htm#St1944), [194.5](1658.htm#St1945), [310](1658.htm#St310) and [402](1658.htm#St402) of the Criminal Code of the Republic of Tajikistan, as well as if such funds were not actually used to commit the above offences;

- "designated authority" means a government body whose goals, functions and powers in combating money laundering and terrorist financing are governed by this Law and other regulations;

- "transactions with funds or other assets" means the actions of natural and legal persons aimed at the establishment, modification or termination of the civil rights and obligations in respect of funds or other assets;

"suspicious transaction" means a transaction (an attempt to carry out a transaction) with funds or other assets deemed suspicious in accordance with this Law and a list of indicators of suspicious transactions approved by the designated authority;

- "financial monitoring" means a set of activities conducted by institutions (institutions carrying out transactions with funds), the designated authority and other public authorities aimed at combating money laundering and terrorist financing;

- "mandatory controls" means a set of measures undertaken by the designated authority to monitor transactions with funds or other assets using the data submitted to it by institutions carrying out such transactions and to verify such data in accordance with the laws of the Republic of Tajikistan;

- "internal controls" means the activities of institutions carrying out transactions with funds or other assets aimed at identifying transactions (attempts to carry out suspicious transactions) subject to mandatory controls, as well as other transactions with funds or other assets linked to money laundering and terrorist financing;

- "foreign politically exposed persons" means citizens of foreign states who are, or have been, entrusted with prominent public functions in a foreign country (heads of state or government, high-ranking political figures, senior officials in government, judicial, military, law enforcement and fiscal agencies as well as leaders and members of political parties and religious organizations), including persons who occupied the said positions previously and their close relatives;

- "beneficial owner" means the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being carried out;

- "shell bank" means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision;

- "offshore jurisdictions" means countries and territories that offer preferential tax treatment to non-residents (foreign natural and legal persons), and/or provide for no disclosure of information upon execution of financial transactions with funds or other assets;

- "trust" means the placement of funds or other assets by one person (settler of trust) in trust management to another person (trust manager) on condition that in his actions regarding these funds or other property the trust manager shall be guided by the requirements and instructions issued by the settler of trust.

Article 2. Legislation of the Republic of Tajikistan on Combating Money Laundering and Terrorist Financing

Tajik legislation on combating money laundering and terrorist financing is based on the [Constitution](2233.htm) of the Republic of Tajikistan and consists of this Law, other regulations of the Republic of Tajikistan and international legal acts recognized by Tajikistan.

Article 3. Scope of the Law

1. This law governs relations among and between the citizens of the Republic Tajikistan, foreign nationals and stateless persons residing in the Republic of Tajikistan, organizations carrying out transactions with funds or other assets as well as government agencies exercising control on the territory of the Republic of Tajikistan over the conduct of transactions with funds or other assets for the purpose of prevention, detection and suppression of activities linked to money laundering and terrorist financing.

2. The provisions of this Law shall apply to the citizens of the Republic of Tajikistan, foreign nationals and stateless persons, as well as to legal entities, their subsidiaries, representative offices and separate units responsible for facilitating the carrying out of transactions with funds or other assets in the Republic of Tajikistan and abroad in accordance with the international legal acts recognized by Tajikistan.

CHAPTER 2. PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Article 4. Institutions Carrying Out Transactions with Funds or Other Assets

Institutions carrying out transactions with funds and other assets include:

1) credit institutions;

2) professional securities market participants;

3) insurance and leasing (financial leasing) companies;

4) postal services providers;

5) pawnshops;

6) organizations involved in buying and selling of real estate, precious metals and precious stones, items of jewellery made therefrom and scrap thereof;

7) organizations owning sweepstakes and betting offices, as well as holding lotteries and other games in which participants compete for a prize money, including in electronic form;

8) organizations managing investment funds or private pension funds;

9) lawyers, notaries, other independent legal professionals and accountants, and individual entrepreneurs who provide legal services to their clients involving the preparation or execution of transactions related to the buying and selling of real estate; managing of the client money, securities or other assets; management of bank, savings or securities accounts; organization of contributions for the creation, operation or management of companies; creation, operation or management of legal persons or arrangements, and buying and selling of business entities;

10) audit firms and individual auditors;

11) organizations providing trust services or services related to the establishment of companies;

12) private exchange offices of natural persons;

13) customs authorities responsible for monitoring the movement across the border of Tajikistan of cash and bearer negotiable instruments by residents and non-residents.

Article 5. Measures Aimed at Combating Money Laundering and Terrorist Financing

1. Measures aimed at combating money laundering and terrorist financing include:

1) internal controls;

2) mandatory controls;

3) a ban on informing clients and other persons (except oversight agency's employees) of the measures undertaken to combat money laundering and terrorist financing;

4) other measures undertaken in accordance with the laws of the Republic of Tajikistan.

2. Organizations carrying out transactions with funds or other assets shall conduct the following customer due diligence measures:

1) identify and verify the identity of the client, i.e. undertake a set of measures intended to identify the client acting as a natural person (full name, unless otherwise is provided for by law or established customs and traditions), nationality, details of the identity document, migration card and document confirming the right of a foreign citizen or stateless person to stay (reside) in the Republic of Tajikistan, place of residence (registration) or place of stay, taxpayer identification number, account number (if any); the client acting as a legal entity (name, taxpayer identification number or foreign company code, state registration number, place of state registration and property rights, as well as place of actual location); ([Law No. 967 of June 13, 2013](105782.htm#p1))

2) identify and verify the identity of the beneficial owner;

3) obtain information about the purpose and intended nature of business relationships;

4) study, on an on-going basis, the business relationships and scrutinize transactions with funds or other assets carried out in the course of such relationships, in order to ensure that all transactions are consistent with the data available to the organization on such client, his activities and risk profile, including the information about the source of the client's funds available at the time of transaction execution;

5) update, at least once every three years, the obtained client data in accordance with sub. pars. 1-3 of par. 2 of this article;

6) implement the requirements of sub. pars. 1) and 2) of par. 2 of this article in accordance with the instructions issued by the competent authority; ([Law No. 967 of June 13, 2013)](105782.htm#p2)

7) Organizations carrying out transactions with funds and other assets shall not rely on intermediaries or other third parties for the implementation of the provisions of sub. pars. 1-3 and 5 of par. 2 of this article during customer due diligence or representation of the organization.

3. The procedures referred to in sub. pars. 1-3 of par. 2 of this article shall be implemented in the following cases:

1) upon the establishment of business relationships;

2) upon execution of occasional transactions in excess of the threshold amount;

3) in the event of suspected money laundering and terrorist financing activities;

4) in the event of any doubt expressed by the person submitting data as to the veracity and consistency of the previously obtained client identification data.

4. Organizations carrying out transactions with funds or other assets shall implement procedures referred to in sub. pars. 4 and 5 of par. 2 of this article for the entire duration of their relationship with the client. The requirements listed in paragraph 2 of this article shall be applied to all new and existing clients.

5. If an organization carrying transactions with funds or other assets is unable to implement the provisions referred to in sub. pars. 1-3 and 5 of par. 2 of this article, it may not open an account, establish business relationships or carry out transactions, and shall terminate the business relationship with, and consider filing a suspicious transaction report on, such client.

6. The requirements for organizations carrying out transactions with funds or other assets referred to herein shall also apply to their branches and subsidiaries with foreign-based majority equity participation to the extent permitted by the regulations in force in the country where such branches and subsidiaries are situated. If the laws or other regulations in force in the country where the branches or subsidiaries are situated prohibit or prevent the fulfilment of the requirements of this Law, organizations carrying out transactions with funds or other assets shall notify the competent authorities of the Republic of Tajikistan responsible for state regulation and oversight of the inability of their branches or subsidiaries to comply with the requirements of this Law in their country where they are situated.

7. No shell banks are permitted to be established in the Republic of Tajikistan.

8. Credit institutions entitled to open and maintain bank accounts shall not establish or continue direct correspondent relationships with shell banks, and shall additionally undertake precautionary measures against executing transactions with the foreign financial correspondent organizations that allow shell banks to use their accounts.

9. For the purpose of licensing and regulating the activities of banks and other credit institutions, the National Bank of Tajikistan shall compile a list of entities, countries and offshore jurisdictions and establish the rules for carrying out transactions therewith.

Article 6. Transactions with Funds or Other Assets Subject to Mandatory Controls

1. Any transaction with funds and/or other assets shall be subject to mandatory controls if, by its nature, it belongs to one of the types of cash transactions provided for in par. 2 of this article or non-cash transactions provided for in sub. pars. 6, 7, 9, 11 and 18 of par. 2 of this article in the following amounts:

1) for transactions referred to in sub. pars. 1 and 2 of par. 2 of this article, in an amount equal to or exceeding 14,000 TJS, or an amount in foreign currency equal to or exceeding 14,000 TJS;

2) for transactions referred to in sub. pars. 6, 7 and 9 of par. 2 of this article, in an amount equal to or exceeding 70,000 TJS, or an amount in foreign currency equal to or exceeding 70,000 TJS;

3) for transactions referred to in pars. 3-5, 8 and 10-17 of par. 2 of this Article, in an amount equal to or exceeding 70,000 TJS, or an amount in foreign currency equal to or exceeding 70,000 TJS;

4) for transactions referred to in sub. pars. 18 and 19 of par. 2 of this article, in an amount equal to or exceeding 500,000 TJS, or an amount in foreign currency equal to or exceeding 500,000 TJS;

2. Transactions with funds and/or other assets subject to mandatory controls include the following:

1) awarding of a prize as a result of a wager, game of luck or lottery, including in electronic form;

2) purchase, sale and exchange of foreign currency through exchange offices;

3) cashing of a cheque or promissory note, both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

4) exchange of banknotes of one denomination for banknotes of another denomination, both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

5) debiting and crediting of the client's account, both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

6) depositing or transfer of funds to the client's bank account by a natural or legal person registered, residing or located in an offshore jurisdiction and owning an account in a bank registered in an offshore jurisdiction, or the transfer of funds by the client to the above category of persons, carried out both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

7) international wire transfers of funds to/from anonymous accounts (deposits), carried out both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

8) opening of a third-party savings account (deposit) and (or) depositing of funds to such account, carried out both as an occasional transaction and as a transaction carried out over the course of seven consecutive calendar days;

9) uncompensated payments and money transfers made by the client in favour of another person;

10) purchase (sale) as well as importation or exportation of items of cultural value into/from the Republic of Tajikistan;

11) transactions carried out by legal entities whose state registration is at least three months old;

12) importation into or exportation from the Republic of Tajikistan of currency in cash, except imports and exports carried out by the National Bank of Tajikistan, commercial banks and institutions providing postal services;

13) payment of insurance compensation or receipt of insurance premiums;

14) payment or transfer of voluntary pension contributions to pension savings funds, as well as making pension payments from a savings pension fund out of voluntary pension contributions;

15) receipt or provision of property under a financial leasing agreement;

16) transactions involving provision of services, including outsourcing, transportation, freight forwarding, storage, commission and trustee property management;

17) purchase/sale and other transactions with precious metals, precious stones and items therefrom;

18) real estate and other property transactions subject to mandatory state registration;

19) securities transactions.

3. All suspicious transactions shall be subject to mandatory controls regardless of their amount.

4. In the event of a transaction with funds or other assets being carried out in foreign currency (the currency type must be specified), its amount in the national currency shall be determined based on the official rate of the National Bank of Tajikistan set on the date of such transaction.

5. The criteria used to identify suspicious transactions are as follows:

1) carrying out of a transaction that makes no obvious economic sense;

2) performance of activities aimed at evading financial monitoring procedures provided for by this Law;

3) an organization carrying out transactions with funds or other assets has reasonable grounds to believe or suspect that the transactions are carried out for the purpose of money laundering and terrorist financing.

6. Organizations carrying out transactions with funds or other assets should pay special attention to business relationships and transactions with persons, including companies and credit institutions, from countries which do not apply or apply insufficiently rigorously the international anti-money laundering and terrorist standards. In all situations where such transactions have no apparent economic or visible lawful sense, all reasonable and available in the given circumstances steps shall be taken to examine the grounds for and purpose of such transactions. Record and maintain records of obtained data for a period of at least five years after termination of the relationship with the client and provide such data to law enforcement upon request.

7. Any transaction with funds or other assets shall be subject to mandatory controls if at least one of the parties thereto is a natural or legal person involved, based on the information obtained in accordance with the provisions of this Law, in terrorist activities; or a legal person owned or controlled, directly or indirectly, by such natural or legal person; or a natural or legal person acting on behalf or on the instruction of such entities or individuals. The list of such natural and legal persons shall be compiled by the designated authority and distributed among the organizations carrying out transactions with funds or other assets.

8. The grounds for placing a natural or legal person on the list referred to in par. 7 of this article are as follows:

1) the entry into force of the Tajik court's verdict pronouncing the accused natural person guilty of terrorism crimes;

2) the entry into force of the Tajik court's decision to liquidate or prohibit the activities of a legal person due to its involvement in extremist activities;

3) filing of a request in the court by the Prosecutor General of the Republic of Tajikistan or subordinate to him prosecutors requesting the suspension of activities of a legal person and holding it accountable for involvement in terrorist activities;

4) a decision of an investigator or prosecutor to initiate criminal proceedings against the perpetrator of terrorist crimes;

5) placement on the list of natural or legal persons associated with terrorist organizations or terrorists, approved by international organizations engaged in the fight against terrorism or their authorized agencies recognized by Tajikistan;

6) courts' verdicts (decisions) and decisions of other competent authorities of foreign states in respect of entities or individuals involved in terrorist activities which are recognized by Tajikistan as part of its compliance with international regulations.

Article 7. Rights and Responsibilities of Organizations Carrying Out Transactions with Funds or Other Assets

1. Organizations carrying out transactions with funds and other assets shall:

1) identify the client of the organization carrying out transactions with funds or other assets;

2) record the following information when establishing business relationships or opening an account as well as in respect of transactions with funds or other assets subject to mandatory controls:

a) the type of the transaction and grounds for its execution;

b) the date and amount of the transaction with funds or other assets;

c) the information necessary to identify the natural person carrying out a transaction with funds or other assets (passport or other identity document details), taxpayer identification number (if any) and its place of residence;

d) the name, taxpayer identification number (if any), registration number, place of registration and principal place of business of the legal person carrying out a transaction with funds or other assets;

e) the information required to identify the natural or legal person on whose instructions and behalf a transaction with funds or other assets is being carried out, taxpayer identification number (if available), natural person's place of residence or legal person's principal place of business;

f) the information required to identify the representative of the natural or legal person carrying out a transaction with funds or other assets on behalf of another person by virtue of the authority granted by power of attorney, law or the act of the authorized state or municipal body, place of residence of the natural or legal person's representative;

g) the information required to identify the recipient of the funds in a transaction with funds or other assets and his representative, including the taxpayer identification number (if any), place of residence or stay of the recipient and his representative, if provided for by the relevant transaction rules;

3) submit to the designated authority the data on transactions subject to mandatory controls referred to in sub. par. 2 of par. 1 of this article. The procedure and deadlines for submission of data to the designated authority shall be determined by the designated authority. ([Law No. 967 of June 13, 2013)](105782.htm#p3)

2. Organizations carrying out transactions with funds or other assets shall draft internal control rules to combat money laundering and terrorist financing along with a plan for the implementation thereof. These rules shall include the following:

1) internal procedures for undertaking customer due diligence measures and retaining of data obtained through such measures;

2) the procedure and guidelines enabling the identification of transactions with funds or other assets subject to mandatory controls;

3) employee selection and recruitment procedures;

4) qualification requirements for employee trainings and a staff training program;

5) the procedure for conducting an internal audit intended to review anti-money laundering and terrorist financing measures in organizations. Organizations carrying out transactions with funds or other assets shall draft internal control rules based on recommendations approved by the designated authority in consultation with the oversight authorities within the scope of their competence.

3. Organizations carrying out transactions with funds or other assets shall designate officials responsible for compliance with the internal control rules. The designation of such officials shall be made by the management of the organization carrying out transactions with funds or other assets.

4. All documents in support of the information contained in this article, copies of identification documents, account files and business correspondence shall be retained for a period of at least five years after the termination of a business relationship and closure of the account (the document retention period may be extended by the designated authority in consultation with the relevant government agencies).

5. Customer due diligence shall apply to the following persons carrying out transactions with funds and other assets:

1) Real estate agents – when they are involved in transactions for their client concerning the buying and selling of real estate;

2) Dealers in precious metals and dealers in precious stones - when they engage in any cash transaction with a customer equal to or above the applicable designated threshold;

3) Lawyers, notaries, other independent legal professionals and accountants - when they prepare for or carry out transactions for their client concerning the following activities:

a) buying and selling of real estate;

b) managing of client money, securities or other assets;

c) management of bank, savings or securities accounts;

d) organisation of contributions for the creation, operation or management of companies;

e) creation, operation or management of legal persons or arrangements, and buying and selling of business entities.

4) Trust and company service providers - when they prepare for or carry out transactions for a client concerning the following activities:

a) acting as a formation agent of legal persons;

b) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;

c) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;

d) acting as (or arranging for another person to act as) a trustee of an express trust;

e) acting as (or arranging for another person to act as) a nominee shareholder for another person.

6. Credit institutions shall not open or maintain existing accounts (deposits) for anonymous owners or persons using fictitious names – that is, without the provision by a natural or legal person opening an account (deposit) of the documents necessary for its identification.

7. Credit institutions may refuse to enter into a bank account (deposit) agreement with a natural or legal person if the documents provided by the latter are false, as well as in the case where there exists evidence obtained in accordance with this Law linking such person to terrorist activities.

8. Organizations carrying out transactions with funds or other assets, their managers or employees (permanent or temporary) shall not notify the clients of such organizations or other persons of their decision to submit information to the designated authority.

9. Submission to the designated authority by organizations carrying out transactions with funds or other assets, their managers and employees of the information and documents in respect of any transactions, as well as for the purpose and in accordance with the procedure provided for by this Law, shall not constitute a violation of official, banking, tax and commercial secrets or the secrecy of communications (as it pertains to the details of postal money transfers).

10. The responsibility for monitoring compliance by natural and legal persons with this Law as it pertains to recording, retaining and submission of information on transactions subject to mandatory controls and conducting internal controls shall lie with the relevant oversight authority within their scope of their competency and in accordance with the procedure established by applicable laws of the Republic of Tajikistan, as well as, in the absence of the oversight authority in the sphere of activity of certain organizations carrying out transactions with funds and other assets, with the designated authority.

Article 8. Public Anti-Money Laundering and Terrorist Financing Regulatory and Oversight Authorities.

1. Public regulation and oversight of anti-money laundering and terrorist financing measures shall be carried out in respect of the following:

1) credit institutions – by the National Bank of Tajikistan;

2) professional securities market participants, insurance companies and companies involved in the sale and purchase of precious metals and stones, jewellery items therefrom and scrap thereof, audit firms and individual auditors, private accountants, pawnshops, organizations owning sweepstakes and betting offices as well as holding lotteries and other games in which participants compete for prize money, including in electronic form – by the Ministry of Finance of the Republic of Tajikistan;

3) notaries, attorneys, independent legal professionals and other persons providing legal services – by the Ministry of Justice of the Republic of Tajikistan;

4) organizations providing postal services (as it pertains to money remittances) – by the Communications Service under the Government of the Republic of Tajikistan;([Law No. 967 of June 13, 2013)](105782.htm#p4)

5) commodity and other types of exchanges carrying out financial transactions with goods – by the Ministry of Economic Development and Trade of Tajikistan;

6) departments of the Customs Committee responsible for monitoring the movement across the border of the Republic of Tajikistan of cash and negotiable instruments – by the Customs Service under the Government of the Republic of Tajikistan;

7) monitoring the fulfilment of tax obligations – by the Taxation Committee under the Government of the Republic of Tajikistan; ([Law No. 967 of June 13, 2013)](105782.htm#p4)

8) other reporting entities with undesignated by this Law public authorities responsible for regulation and oversight of their activities – by the designated authority.

2. The procedure for submitting information to the designated authority by organizations carrying out transactions with funds or other assets shall be established by the designated authority.

3. The competent regulatory and oversight authorities should draft appropriate guidelines, while the designated authority should provide feedback to assist organizations carrying out transactions with funds or other assets in enforcing the national anti-money laundering and terrorist financing legislation, in particular in identifying and submitting suspicious transaction reports.

Article 9. Suspension of Transactions

1. Organizations carrying out transactions with funds or other assets shall, in coordination with the designated authority, suspend transactions that are subject to mandatory controls in accordance with sub. par. 3 of par. 5 and par. 7 of [Article 6](#st6) of this law, except for transactions involving the crediting of incoming funds to the natural or legal person's account, for three business days after the transaction's due date, and, not later than 24 hours following the suspension of the transaction, submit the relevant information to the designated authority.

2. The suspended transaction shall be resumed if the organization carrying out such transaction does not receive within the period specified in par. 1 of this article an authorization to extend the suspension period from the designated authority, or unless a different decision is taken in accordance with the laws of the Republic of Tajikistan preventing its execution.

3. Organizations carrying out transactions with funds or other assets may refuse the client's request to carry out a transaction, except for transactions involving the crediting of incoming funds to the natural or legal person's account, in the event of the client's failure to provide the required documents, or provision of false information, required to be recorded in accordance with this Law.

4. Neither suspension of transactions in accordance with pars. 1 and 2 of this article nor the refusal to carry out transactions in accordance with par. 3 of this article shall result in civil liability for organizations carrying out transactions with funds or other assets for violation of the terms of the relevant agreements.

5. The designated authority shall issue an order authorizing suspension of transactions with funds or other assets referred to in par. 1 of this article for up to seven business days if the information it received on transactions subject to mandatory controls in accordance with sub. par. 3 of par. 5 and par. 7 of Article 6 of this Law has been, based on the findings of a preliminary audit, deemed valid.

6. The designated authority shall notify the organization of the expiration date of the transaction suspension order on the date of issuance thereof.

7. The designated authority shall immediately cancel the order to suspend transactions with funds or other assets if the submitted information on the transactions subject to mandatory controls in accordance with sub. par. 3 of par. 5 and par. 7 of Article 6 hereof has been, based on the findings of a preliminary audit, deemed invalid.

Article 10. Responsibilities of Organizations Carrying Out Transactions with Funds in Establishing and Continuing a Customer Relationship with Foreign Politically Exposed Persons

1. Organizations carrying out transactions with funds or other assets, in addition to customer due diligence measures provided for by [Article 5](#st5) hereof, shall:

1) take reasonable and available in the given circumstances measures to identify among their new and existing customers individuals who are foreign politically exposed persons;

2) establish business relationships with foreign politically exposed persons only with a written approval of the head of the organization carrying out transactions with funds or other assets, his deputy, or the authorized by either of them head of a separate unit of this organization.

3) take reasonable and available measures in cases when the origin of funds or other assets belonging to foreign politically exposed persons has been determined;

4) regularly update the available to the organization carrying out transactions with funds or other assets information on their existing customers who are foreign politically exposed persons;

5) pay extra attention to transactions with funds or other assets carried out by the customers of organizations carrying out transactions with funds or other assets who are foreign politically exposed persons, close relatives (wife/husband, children, father, mother, brothers, sisters, as well as father, mother, brothers, sisters and children of the wife (husband), sons/daughters-in-law, as well as other persons cohabitation or running a joint household with a person entrusted with the performance of public duties or a similar person, adoptive parents and adopted children), or on behalf of such persons if they are customers of a credit institution.

Article 11. Article 11. Measures Concerning Cross-Border Correspondent Relationships

Credit institutions shall take steps to prevent the use of cross-border correspondent banking relationships for money laundering and terrorist financing in accordance with the procedure established by the National Bank of Tajikistan.

CHAPTER 3. MOUNTING ANTI-MONEY LAUNDERING AND TERRORIST FINANCING EFFORTS

Article 12. The Designated Authority

1. The responsibility for designating an anti-money laundering and terrorist financing authority shall lie with the President of the Republic of Tajikistan.

2. The designated authority shall be responsible for supervising and coordinating the activities of the relevant oversight agencies to be determined in accordance with par. 1 of [Article 8](#st8) hereof.

3. In their enforcement of this Law, the employees of the designated authority shall avoid disclosure of any information related to the activities of the authorized body that constitutes service, banking, tax, commercial or communications secrets, and shall be liable for any such disclosure in accordance with the laws of the Republic of Tajikistan.

4. The designated authority shall be liable in accordance with the laws of the Republic of Tajikistan for any harm caused to natural or legal persons as the result of its own or its employees' unlawful actions connected with the performance by the designated authority of its functions.

5. If there is sufficient evidence to link a transaction to money laundering or terrorism financing, the designated authority shall submit the relevant information and materials to the competent law enforcement agencies.

6. Organizations carrying out transactions with funds or other property shall submit to the designated authority information and documents required by it for performance of its functions upon request.

7. Submission by organizations carrying out transactions with funds or other assets of the requested by the designated authority information or documents shall not constitute violation of the service, banking, tax, commercial or communications secrets (as it pertains to information related to postal money transfers).

Article 13. Rights and Responsibilities of the Designated Authority

1. The designated authority shall have the right to:

1) request the submission of all information and documents required to be collected and retained hereunder by organizations carrying out transactions with funds or other assets as well as by any public bodies of the Republic of Tajikistan;

2) suspend transactions with funds and (or) other assets for a period specified in [Article 9](#st9) hereof upon detection of any signs of money laundering and terrorist financing;

3) participate in the drafting of regulations and international treaties of the Republic of Tajikistan on combating money laundering and terrorist financing;

4) take part in or initiate the exchange of information with foreign state agencies related to the fight against money laundering and terrorist financing;

5) engage, including on a contractual basis, research and other organizations and individual specialists in the work related to carrying out expert examinations, developing training programs, guidelines, software and data support programs and creating information systems in the area of financial monitoring while ensuring compliance with the requirements for non-disclosure of the state, official, commercial, banking and other secrets protected by law;

6) notify the relevant state bodies of any violations of the law of the Republic of Tajikistan on combating money laundering and terrorist financing.

2. The designated authority shall:

1) take steps to combat money laundering and terrorist financing;

2) ensure appropriate level of storage, protection and security of the information obtained that constitutes official, commercial, banking or other protected by law secrets;

3) ensure that the rights and legitimate interests of an individual and a citizen, legal persons and the state are observed in the process of conducting financial monitoring.

Article 14. Cooperation between the Designated Authority and Public Authorities of the Republic of Tajikistan

1. The public authorities of the Republic of Tajikistan responsible, within their scope of competence, for monitoring compliance by organizations carrying out transactions with funds or other assets with the law of the Republic of Tajikistan on combating money laundering and terrorist financing shall:

1) provide the designated authority with information required to conduct financial monitoring and combat money laundering and terrorist financing in the manner to be determined by the designated authority;

2) ensure appropriate level of storage, protection and security of the obtained in the course of cooperation with the designated authority information that constitutes official, commercial, banking or other protected by law secrets;

3) ensure that the rights and legitimate interests of an individual and a citizen, legal persons and the state are observed in the process of exercising control functions.

2. The public authorities of the Republic of Tajikistan shall:

1) notify the designated authority of all identified by it suspicious transactions linked to money laundering or terrorist financing;

2) inform the designated authority of all identified by them instances of violation by organizations carrying out transactions with funds or other assets of the requirements of this Law;

3) provide the designated authority with access to their own information systems and databases.

3. Submission of information on suspicious transactions to the designated authority shall not constitute disclosure of official, commercial, banking or any other protected by law secrets.

Article 14.1. Establishment of a Permanent Interagency Committee

A permanent interagency committee composed of the representatives of the relevant ministries and agencies shall be set up with the goal of coordinating the implementation by the relevant government agencies of the anti-money laundering and terrorist financing standards. The composition and Statute of such committee shall be approved by the Government of the Republic of Tajikistan. ([Law No. 968 of June 13, 2013](105779.htm#p1).)

CHAPTER 4. INTERNATIONAL COOPERATION IN COMBATING MONEY LAUNDERING AND TERRORIST FINANCING

Article 15. Information Exchange and Legal Assistance

The designated authority and other public bodies of the Republic of Tajikistan responsible for combating money laundering and terrorist financing shall provide relevant information to the competent authorities of foreign countries on demand or their own initiative on the basis of data protection principles.

Article 16. International Cooperation among Designated Authorities

1. Designated authorities shall work together towards the common goals of combating money laundering and terrorist financing, compiling, analysing and, if falls within their scope of competence, investigating any alleged facts of money laundering or terrorist financing.

2. For the purposes of par. 1 of this article, designated authorities shall initiate or take part in the exchange of any available to them information that may be related to the processing or analysis of information or investigations undertaken by designated authorities in respect of financial transactions linked to money laundering or terrorist financing and natural or legal persons involved therein.

3. The designated authority shall participate in the exchange of information with foreign designated authorities irrespective of their status (administrative, law enforcement, judicial, etc.).

4. Each request shall be accompanied by a summary of relevant facts known to the requesting designated authority. The designated authority shall specify in its request the purpose for which the requested information will be used.

5. When submitting a request, the requesting designated authority shall provide all relevant information, including the available financial information and requested data of law enforcement authorities specified in the request, without the need for an official request therefor.

6. The designated authority may refuse to disclose the information capable of harming a criminal investigation conducted by the competent authorities of the Republic Tajikistan, or, in exceptional circumstances, blatantly violating the legitimate interests of any natural or legal person of the Republic of Tajikistan, or in any way contravening the basic legal principles. Such refusal shall be appropriately substantiated by the requesting designated authority.

7. The designated authority may use the information or documents provided by a foreign competent authority only for purposes specified in par. 1 of this article. The designated authority shall not disclose to any third party any information or documents provided to it, or use such information or documents in a preliminary inquiry or any criminal, administrative or civil proceedings, without the prior consent of the foreign competent authority.

8. When transferring information or documents to a foreign competent authority, the designated authority may impose restrictions or conditions on the use of information for purposes other than those listed in par. 7 of this article.

9. Designated authorities shall take all necessary measures, including security measures, to preclude any possible disclosure of the transferred information to other bodies, authorities or agencies without the prior consent of the foreign competent authority.

CHAPTER 5. FINAL PROVISIONS

Article 17. Resolution of Disputes

All disputes concerning the application of this Law shall be resolved in court.

Article 18. Liability for Violation of this Law

Any individual or legal entity found guilty of violation of this Law shall be prosecuted in accordance with the procedure established by the legislation of the Republic of Tajikistan.

Article 19. Entry into Force

1. This Law shall enter into force after its official publication.

2. Paragraph 2 of [Article 7](#st7), paragraph 3 of [Article 8](#st8) and [Article 11](#st11) hereof shall enter into force six months after its official publication.

Emomali Rahmon

President of the Republic of Tajikistan

Dushanbe, No. 684 of March 25, 2011