

**The Ministry of Commerce and Industry**

**Circular No. (7) of 2020**

**On**

**Implementing the AML/CFT Compliance Rules for Auditors, Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers**

**To: Auditors (Chartered Accountants), Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers**

**Kindly be informed that Pursuant to the Requirements of,**

Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing, and

Article (60) of the Implementing Regulations of Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing issued by the Council of Ministers' Decision No. (41) of 2019, and

Article (2) of the Decision of the Minister of Commerce and Industry No. (95) on Establishing the Anti- Money Laundering and Terrorism Financing Section under Companies Affairs Department,

The Companies Affairs Department issues the following Circular:

By virtue of the Decision of the Minister of Commerce and Industry No. (48) of 2020, the AML/CFT Compliance Rules for Auditors, Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers were promulgated and include detailed AML/CFT obligations for the entities under the supervision and monitoring of the Ministry of Commerce and Industry (MOCI) as defined by Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing and its Implementing Regulations issued by the Council of Ministers' Decision No. (41) of 2019.

The AML/CFT Compliance Rules specified the key principles for combating money laundering and terrorism financing, as follows:

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1. AML/CFT responsibilities, including responsibilities of the Regulated Entity, the Senior Management, the Compliance Officer and the Deputy Compliance Officer.
2. Risk- Based Approach: identifying, assessing and understanding money laundering and terrorism financing risks, including risks identified in the National Risk Assessment, and risks related to customers, products, services and transactions (interface risks), and jurisdictions.
3. Know Your Customer: identifying customers and verifying their identities and determining the degree of Due Diligence and ongoing monitoring to be applied to the customers.
4. Effective Internal and external reporting and tipping-off.
5. Screening procedures to ensure high standards upon appointing or employing officers or employees, in addition to adequate training.
6. Ensuring Compliance: the record keeping obligations.

In order for the Regulated Entities to settle their status in line with the new AML/CFT requirements set out in the Compliance Rules, the AML/CFT Section urges Auditors, Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers to:

1. Develop a programme against money laundering and terrorism financing that include all the basic requirements provided for in Article (8) of the AML/CFT Compliance Rules, having regard to the ML/TF risks, the size, complexity and nature of the Regulated Entity's business, and submit it to the AML/CFT Section no later than December 15, 2020.
2. Appoint a Compliance Officer and a Deputy Compliance Officer for the Regulated Entity, as per the Form attached to this Circular, who shall be vested with the relevant powers and competencies to carry out his role in an effective, objective and independent way. The relevant Form shall be sent via email or via post by mean of an official letter addressed to the AML/CFT Section at the Ministry with a copy to the Qatar Financial Information Unit (QFIU).
3. Maintain adequate screening procedures to ensure high standards when appointing or employing officers or employees.

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4. Design and deliver an appropriate ongoing AML/CFT training programme for officers and employees.
5. Conduct appropriate ongoing assessment, review and testing of the Regulated Entity's compliance with the AML/CFT policies, and ensure adequacy of its controls, provided that a copy of the record is submitted to the AML/CFT Section by 31 July 2021 and every 2 years thereafter.
6. Document the ML/TF risk management policies and methodologies adopted by the Regulated Entity.
7. Apply an AML/CFT program to branches and majority owned Associates in the State or in a foreign jurisdiction.
8. Identify, assess and understand money laundering and terrorism financing risks at the Regulated Entity in accordance with the requirements of the Risk-based Approach under chapter (3) of the AML/CFT Compliance Rules, provided that the first business risk assessment report is submitted no later than 30 March 2020<sup>1</sup>.
9. Promptly report to the QFIU any information concerning any transaction or operation, including attempted transactions and operations, when there is a suspicion or reasonable grounds to suspect that such transactions and operations are associated with, or involve proceeds of a predicate offence or may be used in terrorism financing. The Regulated Entity shall inform the AML/CFT Section at the Ministry, by any written mean, of the reports submitted to the QFIU without mentioning any relevant information or details.
10. Promptly inform the AML/CFT Section at the Ministry, by any written mean, of all the cases as stipulated in the AML/CFT Compliance Rules, particularly Articles (12), (14), (20), (29), (30), (42) and (78).

The AML/CFT Section stresses on devoting a special importance to the implementation of the AML/CFT requirements, particularly the new provisions stipulated in the Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing and its Implementing Regulations, including:

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<sup>1</sup> Article (25) of the AML/CFT Compliance Rules

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- Adopting a risk -based approach by developing and establishing internal policies, procedures, and controls in order to identify, assess, understand, manage and mitigate money laundering and terrorism financing risks commensurately with the size, complexity and nature of your business; and reviewing such policies, procedures, and controls when necessary.
- Establishing and maintaining an appropriate risk management system to determine whether the customer, or the beneficial owner of the customer, is a Politically Exposed Person (PEP), a family member or a close associate of a PEP, whether domestic or foreign.
- Relying on third parties to conduct CDD measures on Customers, taking into consideration the obligations stipulated in Article (39) of the AML/CFT Compliance Rules.
- Conducting enhanced CDD measures, in case of high ML/TF risks, whether related to customers, products, services, delivery channels, or jurisdictions.
- Identifying the beneficial owner(s) of the customer and take reasonable measures to verify the identity through relevant information and data obtained from reliable sources, in accordance with the criteria for identifying the beneficial owner(s) of legal persons and arrangements as stipulated in the Implementing Regulations and Article (55) of the AML/CFT Compliance Rules.
- Maintaining all records, documents, files and data of all domestic and foreign transactions and operations obtained or compiled while performing CDD measures, for at least ten years.

It should be also noted that if the Regulated Entity is a natural person performing his activity in the form of an individual establishment or office, he should personally undertake the responsibilities of the Senior Management and Compliance Officer, within his establishment or office; and may designate one of his qualified employees as a Compliance Officer.

Kindly refer to the website of the AML/CFT Section ([www.moci.gov.qa](http://www.moci.gov.qa)) for guidelines and useful links that may help you implement the AML/CFT requirements and the reporting obligations.

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You may also contact the AML/CFT Section for the implementation of the required obligations pursuant to the AML/CFT Compliance Rules via the following email: [control.aml@moci.gov.qa](mailto:control.aml@moci.gov.qa), or directly communicate with a staff member at the Companies Affairs Department at the Ministry, at the following address: 2<sup>nd</sup> Floor, Ministry of Commerce and Industry, Lusail City.

Failure to comply with these requirements will be subject the violating entity to the administrative and financial sanctions as stipulated in Article (44) of the Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing, in addition to the criminal sanctions provided for in the said Law.

**Salem Bin Salem Al Mannai**

**Director of the Companies Affairs Department**

*Issued on 16/09/2020*