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# SAFEGUARDING THE NON-PROFIT COMPANIES. THE ROLE OF THE RELATED SUPERVISORY AUTHORITIES TO MITIGATE THE RISKS OF TERRORIST FINANCING. CASE OF JORDAN-PAST AND PRESENT

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RAGHAD AL-SHAREEDAH<sup>1</sup>

**ABSZTRAKT** ■ Ez a cikk bemutatja a jogi személyek, köztük a Nonprofit Társaságok helytelen használatának problémáját, amelyek a Nonprofit Szervezetek FATF-meghatározása alá tartoznak. Az ilyen társaságok létfontosságú szerepet játszanak különböző nemzetgazdaságokban, társadalmi intézményekben és a globális gazdaságban. A nonprofit szervezetek kezdeményezései támogatják a vállalati és kormányzati szektor munkáját azáltal, hogy világszerte létfontosságú szolgáltatásokat, vigaszt és reményt nyújtanak a rászoruló embereknek. A terroristák és terrorista csoportok kihasználják a nonprofit szerepeket, hogy pénzt szerezzenek és osszanak szét, logisztikai támogatást nyújtsanak, előmozdítsák a terroristák toborzását, és más módon támogassák a terrorista csoportokat és tevékenységeiket.

A cikk bemutatja Jordánia útját e probléma kezelésében, valamint a felügyeleti hatóságok jelentős szerepét, amelyek felhatalmazással rendelkeznek az ilyen szervezetek pénzügyi és jogi nyilvántartására, ellenőrzésére és szabályozására; valamint azt, hogy ezek a hatóságok hogyan járultak hozzá ahhoz, hogy a hatályos jogszabályok módosításával és az alkalmazott intézkedések terén tett jelentős erőfeszítésekkel Jordánia lekerüljön a FATF szürkelistájáról.

**ABSTRACT** ■ This article will demonstrate the issue of misusing legal persons including the Non-Profit Companies which fall under the Non-Profit Organizations FATF definition. Such Companies play a vital role in various national economies, social institutions, and the global economy. The Non-Profit organizations' initiatives support the work of the corporate and governmental sectors in offering vital services, consolation and hope to individuals in need globally. The terrorists and terrorist groups take advantage of the nonprofit roles to acquire and distribute money, offer logistical support, promote the recruitment of terrorists, and support terrorist groups and activities in other ways.

It will present Jordan's journey in tackling this issue and the significant role played by the supervisory authorities having the mandate to register, monitor and control them financially and legally and how they contributed in removing Jordan from the FATF grey list upon amending the legislation in place and exerting significant efforts in the measures implemented.

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## 1. INTRODUCTION

Given Jordan's advantageous geographical location and central role in the Middle East's peace process, there have been increased risks associated with terrorism and its financing. This includes the emergence of terrorist groups, networks, and cells that contribute to regional terrorism, both intellectually and organizationally, particularly following the Iraq war.

Jordan, along with its citizens, officials, and institutions, has been a longstanding target for terrorist activities due to its proactive stance against all forms of terrorism. Despite enduring the consequences of terrorism, Jordan consistently emphasizes the need for international collaboration in confronting and eliminating terrorism by establishing mechanisms to counteract its funding, training, and practice.<sup>2</sup>

Moreover, Jordan as a member of the Middle East & North Africa Financial Action Task Force (MENAFATF) has been a key partner in regional and international efforts to combat terrorism and counter anti-money laundering and has to comply with FATF recommendations and reflecting them to the relevant legislation.

As stated in the Interpretive Note accompanying Recommendation 8, terrorist groups utilized a number of methods including Non-Profit companies (NPC) for purposes such as fundraising, facilitating the movement of funds, providing logistical assistance, recruiting individuals for terrorist activities, or otherwise supporting terrorist organizations and their operations. They may exist in various structures, such as a sole proprietorship (including personal charitable donations), an unincorporated association, a corporation, a foundation (characterized by its funding from a founder and organized as a trusteeship), or a condominium. Consequently, safeguarding the NPC sector from terrorist exploitation is not only vital in the global effort against terrorism but also essential for maintaining the integrity of such sector and ensuring the trust of donors.

Corporations fulfill a crucial and lawful function in the economy of any jurisdiction, serving as valuable instruments for commercial and entrepreneurial endeavors. Nevertheless, these inherent traits render them, under specific circumstances, appealing to criminals who might intend to exploit them as instruments for unlawful activities.

The registration of these companies falls under the supervision of the Companies Control Department (CCD) collaborating with the Anti-Money Laundering and Countering Financing Terrorism Unit and other related entities in case of noncompliance and infringements. Such companies may be manipulated for terrorist financing purposes, channeling legitimately acquired funds to support terrorist activities or groups.<sup>3</sup>

The general meeting of the FATF in February 2010 decided that the anti-money laundering and terrorist financing system in Jordan needs to be reviewed under international recommendations in this regard, given that the Kingdom obtained a degree of

<sup>2</sup> "مكافحة الإرهاب والتطرف العنيف" وزارة الخارجية وشؤون المغتربين. Jan. 2024, [mfa.gov.jo/content/%D9%85%D9%83%D8%A7%D9%81%D8%AD%D8%A9-%D8%A7%D9%84%D8%A5%D8%B1%D9%87%D8%A7%D8%A8-%D9%88%D8%A7%D9%84%D8%AA%D8%B7%D8%B1%D9%81-%D8%A7%D9%84%D8%B9%D9%86%D9%8A%D9%81](https://mfa.gov.jo/content/%D9%85%D9%83%D8%A7%D9%81%D8%AD%D8%A9-%D8%A7%D9%84%D8%A5%D8%B1%D9%87%D8%A7%D8%A8-%D9%88%D8%A7%D9%84%D8%AA%D8%B7%D8%B1%D9%81-%D8%A7%D9%84%D8%B9%D9%86%D9%8A%D9%81).

<sup>3</sup> FATF, Money Laundering and Terrorist Financing Risk Assessment of Legal Persons and Legal Arrangements in Jordan. Paris, 2023.

(noncompliant) and (partially compliant) in (14) recommendations out of (16) basic and major international recommendations according to the results of the Kingdom's joint evaluation report approved by the Financial Action Task Force for the Middle East and North Africa region in May 2009.<sup>4</sup>

Thus, Jordan as a member of the Middle East & North Africa Financial Action Task Force (MENAFATF) which is the member of FATF passed through a review to its process by the review team initiated at the level of Africa and the Middle East appointed by the International Cooperation Review Team.

The mutual evaluation report for Jordan in 2019 highlighted significant shortcomings in its Counter-Terrorist Financing system, indicating a low level of effectiveness relating to transparency of beneficial ownership information (Immediate Outcome 5), risks associated with the potential abuse of non-profit organizations for terrorist financing (Immediate Outcome 10), noncompliant to recommendation (8) governing the issue of non-profit organization and compliant to recommendation (6) about the targeted financial sanctions related to terrorism & terrorist financing.<sup>5</sup>

As a result, to these findings, Jordan was placed in the grey list in October 2021 and committed to executing an action plan and measures to address these issues.

Jordan exerted extensive efforts since receiving its first mutual evaluation report by FATF in 2009, which analyzes the level of Jordan's compliance with the FATF (40) Recommendations and the level of effectiveness of its countering financing of terrorism system and provides recommendations on how the system could be strengthened.

On the one hand, this document explores the deficiencies and shortcomings labeling Jordan as a noncompliant jurisdiction to specified recommendations, which resulted in categorizing it in the grey list by FATF in October, 2021 as such inclusion indicates that the country is moving towards the black list, posing a significant threat with potential adverse effects on foreign direct investment, international trade, and the inflow of foreign currency.

On the other hand, it presents the strategies and action plans implemented by the supervisory authorities in Jordan to provide protection to the legal persons including the non-profit companies from being misused for the purposes of funding terrorism encompassing legal and technical reforms in this regard.

## 2. CHRONOLOGICAL ORDER OF JORDAN'S HISTORY PLACE ACCORDING TO FATF ASSESSMENT TO COUNTER THE FUNDING OF TERRORISM

Jordan always stresses the importance of responding to the threat of terrorism in a comprehensive manner that ensures peace and security, supports political solutions and development programs and addresses the sources that fuel terrorism and violence.

Jordan was among the countries to be assessed due to the absence of measures tackling the deficiencies in the implemented strategies and underwent an assessment by MENAFATF, adhering to the 40 recommendations established by the FATF in 2012, along with any subsequent amendments, and utilizing the methodology adopted in

<sup>4</sup> FATF, The Hashemite Kingdom of Jordan's MER. Paris, 2019. <https://www.menafatf.org/information-center/menafatf-publications/hashemitekingdom-jordan-mutual-evaluation-report>.

<sup>5</sup> Ibid.

2013, also considering subsequent amendments and the nine special recommendations on terrorism financing from 2001. The evaluation was conducted using the anti-money laundering and countering the financing of terrorism methodology from 2004<sup>6</sup>.

In 2008, the evaluation team paid an on-site visit to do their assessment based on information gathered from the competent authorities, including the Central Bank of Jordan, Ministry of Justice, Ministry of Interior, Ministry of Finance, the Anti-Money Laundering and Counter Terrorist Financing Unit and Companies Control Department. Such information includes the legislation, regulations, and additional documentation in place.

The first mutual evaluation report of Jordan adopted by MENAFATF in 2009 issued the evaluation made by the said team, in which they assessed Jordan's adherence to the FATF 40+9 recommendations and offered suggestions for enhancing specific aspects of the system. Accordingly, the mentioned authorities worked extensively to address the strategic highlighted deficiencies.

FATF members during the February 2010 Plenary agreed that Jordan should undergo a comprehensive reassessment regarding its adherence to international combating the financing of terrorism (CFT) standards. This decision stemmed from the results of the mutual evaluation of Jordan, where Jordan was evaluated as (noncompliant) and (partially compliant) in (14) out of (16) core and key recommendations.<sup>7</sup>

The first review process with Jordan was initiated in 2010 when the International Cooperation Review Group (ICRG), designated such task to the Regional Review Group of Africa and the Middle East (RRG). This happened when Jordan substantially addressed the strategic deficiencies identified in the FATF's targeted review. FATF decided that it will no longer monitor Jordan through the ICRG monitoring process.

In June 2021, Jordan amended its counter-terrorism legislation directly in response to its 2019 Mutual Evaluation Report (MER). Regrettably, the changes came into effect after the FATF's deadline, which contributed to the country being placed on the grey list in October 2021. This list comprises countries collaborating with the FATF to rectify strategic shortcomings in their systems for combating money laundering, terrorist financing, and proliferation financing.

Jordan acknowledged its achievements in enhancing the domestic framework to counter-terrorist financing with the main focus on the protection of non-profit organizations and companies that fall under the FATF definition, aligning it with global standards, and successfully fulfilling all the components of the action plan endorsed by the Financial Action Group (FATF) for Jordan in October 2021.

In October, 2023, Jordan as a response to FATF recommendations intensified its efforts to mitigate the risks of terrorist financing and was among countries to be taken off from the FATF Grey List. Getting off the said list highlighted the significance of consistently updating the Jordanian system to prevent from reverting to the list and to uphold its global reputation in the fight against the financing of terrorism.

<sup>6</sup> Middle East & North Africa Financial Action Task Force, Mutual Evaluation Report of the Hashemite Kingdom of Jordan. MENAFATF, 2009. [https://www.menafatf.org/sites/default/files/MER\\_Hashemite\\_Kingdom\\_of\\_Jordan.pdf](https://www.menafatf.org/sites/default/files/MER_Hashemite_Kingdom_of_Jordan.pdf).

<sup>7</sup> [https://www.amlu.gov.jo/EN/Pages/Regime\\_process\\_Review](https://www.amlu.gov.jo/EN/Pages/Regime_process_Review).

### 3. FATF RECOMMENDATIONS TO BE ADOPTED BY THE SUPERVISORY AUTHORITIES TO TACKLE THE ISSUE OF MISUSING THE NON-PROFIT COMPANIES FOR THE PURPOSES OF FUNDING TERRORISM

The following measures shall be implemented by Jordanian Supervisory Authorities. Such Measures were set out in the unique FATF recommendation (8) to combat terrorist financing along with other measures as outlined in the noteworthy recommendations including (1, 5, 6, and 24) that contributed in the fight against the financing of terrorists.

#### 3.1. Recommendation (8): Measures to Prevent the Misuse of Non-Profit Organizations

Recommendation (8) set out by FATF states the following:

*“Countries should review the adequacy of laws and regulations that relate to non-profit organisations which the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk based approach, to such non-profit organizations to protect them from terrorist financing abuse, including: (a) by terrorist organizations posing as legitimate entities; (b) by exploiting legitimate entities as conduits for terrorist financing including to escape asset-freezing measures; and (c) by concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organizations.”<sup>8</sup>*

FATF’s concentration on the Non-Profit Organizations (NPOs) sector lies on several reasons as they might frequently operate with minimal or zero governmental supervision, such as in the aspects of registration, record-keeping, reporting and monitoring. The creation of NPOs may involve few formalities, such as lacking prerequisites for skills or starting capital, and may not mandate background checks for employees. Exploiting these characteristics, terrorist organizations have capitalized on the vulnerability of NPOs, infiltrating the sector and misusing their funds and operations to camouflage or facilitate terrorist activities.<sup>9</sup>

For the implementation of this recommendation, FATF adopted a definition applied to the legal entities or arrangements primarily involved in raising or disbursing funds for charitable, religious, cultural, educational, social, fraternal purposes, or other forms of “good works” (referred to as the “FATF definition”).<sup>10</sup>

Such a definition does not encompass the entire spectrum of not-for-profit entities. They vary in their susceptibility to terrorism financing abuse based on their types, activities, or characteristics, with the majority likely to present a low risk.

<sup>8</sup> FATF, Combating the abuse of Non-Profit organizations (recommendation 8). Paris, 2015. <https://www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf>.

<sup>9</sup> FATF, IX Special Recommendations. Paris, 2001. <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Standards%20-%20IX%20Special%20Recommendations%20and%20IN%20rc.pdf.coredownload.pdf>.

<sup>10</sup> FATF, BPP-Combating the Terrorist Financing Abuse of Non-Profit Organisation. Paris, 2023. [www.fatf-gafi.org/en/publications/Financialinclusionandnpoissues/Bpp-combating-abuse-npo.html](http://www.fatf-gafi.org/en/publications/Financialinclusionandnpoissues/Bpp-combating-abuse-npo.html).

### 3.2. Recommendation (1) and its Interpretative Note: Assessing Risks and Applying a Risk-Based Approach

All Jurisdictions must recognize, evaluate, and comprehend the risks associated with money laundering and terrorist financing within their borders. They should then implement measures, such as appointing an authority or system to coordinate efforts in risk assessment and allocate resources appropriately to effectively mitigate these risks.

### 3.3. Recommendation (5) and its Interpretive Note: The Criminalization of Terrorist Financing

This recommendation comes to ensure that all states including Jordan shall possess the legal framework necessary to prosecute and impose criminal penalties on individuals and legal persons who finance terrorism. Therefore, it mandates countries to designate terrorist financing offenses as predicate offenses.

The interpretive note (5) states that legal entities should face criminal liability and sanctions, and in cases where this is not feasible due to fundamental principles of domestic law, civil or administrative liability and sanctions should be imposed. This should not hinder simultaneous criminal, civil, or administrative proceedings against legal entities in jurisdictions where multiple forms of liability are applicable. These actions should not exempt natural persons from criminal liability. All sanctions must be effective, proportionate, and serve as a deterrent.<sup>11</sup>

The basis of the adherence to this recommendation and its interpretive is the provisions contained in article (5) of the United Nations Convention for the Suppression of the Financing of Terrorism 1999, which Jordan ratified under the Law of Ratification of the International Convention for the Suppression of the Financing of Terrorism of 2003.

### 3.4. Recommendation (6): Financial Sanctions Related to Terrorism & Terrorist Financing

Each country is mandated to implement targeted financial sanctions to adhere to the United Nations Security Council Resolutions. With regard to Jordan, sentences for natural and legal persons who commit terrorist financing acts are non-dissuasive, disproportionate under the terrorism prevention law of 2006. It is not possible to measure the effectiveness due to the absence of evidence and the absence of statistics.

Concerning legal entities, Jordan's Penal Code specifies that judgments against them can only involve fines and confiscation. The absence of any mention of a fine or confiscation penalty in article (7) of the Terrorism Prevention Law (TPL) is attributed to the provisions of article (74) of the Penal Code. According to paragraph (3) of Article (74) and if the law prescribes a primary penalty other than a fine, that specified penalty would be replaced by the fine, and legal entities would be subject to a fine within the

<sup>11</sup> FATF, Guidance on the criminalisation of terrorist financing (Recommendation 5). Paris, 2016. [www.fatf-gafi.org/publications/fatfrecommendations/documents/criminalising-terrorist-financing.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/criminalising-terrorist-financing.html).

limits outlined in articles (22 to 24). Consequently, the penalty imposed on legal entities cannot be deemed dissuasive or proportionate.

Additionally, in line with article (74), there is the possibility of implementing further precautionary measures, such as suspension or dissolution of a legal entity, as outlined in articles (36) and (37) of the Penal Law.

### 3.5. Recommendation (24): Beneficial Ownership of Legal Persons

In March 2022, FATF implemented vigorous global regulations regarding beneficial ownership, aimed at thwarting criminals' efforts to conceal illicit activities through opaque corporate structures. These regulations are designed to ensure that relevant authorities have access to comprehensive, accurate, and up-to-date information regarding the actual owners of companies. They mandate that beneficial ownership details be maintained by a public entity serving as a beneficial ownership registry or an alternate system facilitating efficient information retrieval.<sup>12</sup>

Furthermore, the guidance outlines various types and sources of pertinent information, as well as mechanisms for obtaining such data. One notable aspect is the adoption of a multi-faceted approach, which involves gathering information from diverse sources, such as the companies themselves, public registries, or alternative mechanisms ensuring swift access to beneficial ownership information. FATF's mutual evaluations have demonstrated that jurisdictions employing this multifaceted approach are more successful in preventing the misuse of legal entities for criminal purposes and enhancing transparency regarding beneficial ownership, compared to those relying on a singular method.<sup>13</sup>

These measures are intended to address regulatory gaps and weaknesses that have allowed fraudulent entities to operate as fronts for criminal endeavors or to evade tax obligations for an extended period. They aim to streamline the process for investigators to ascertain the genuine beneficial owners of companies swiftly and efficiently. Ultimately, these changes are geared towards combating financial crimes, reducing corruption and tax evasion, and fostering sustainable economic development.<sup>14</sup>

## 4. THE ROLE OF THE RELEVANT NATIONAL SUPERVISORY AUTHORITIES IN JORDAN: COMPANIES CONTROL DEPARTMENT AND THE ANTI-MONEY LAUNDERING AND COUNTER THE FINANCING OF TERRORISM UNIT-PAST AND PRESENT

### 4.1. FATF's Identified Deficiencies: The Non-Profit Organizations Sector

The nine special recommendations issued by FATF acknowledging the crucial need to take proactive measures in countering the funding of terrorism including the protection of non-profit organizations from being misused by terrorists to facilitate the movement of funds for supporting terrorism activities. Following these recommendations, the best

<sup>12</sup> FATF, Guidance on Beneficial Ownership for Legal Persons. Paris, 2023. <http://www.fatf-gafi.org/publications/FATFrecommendations/guidance-beneficial-ownership-legalpersons.html>.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

practices paper (BPP) on combating the abuse of non-profit organizations by (FATF) was initially drafted in 2002 in which they introduced standards aimed at addressing specific vulnerabilities and threats related to terrorist financing (TF).<sup>15</sup>

In June 2014, FATF released a typology report on the risk of terrorist exploitation to non-profit companies, prompting further amendments to the BPP in 2015. These revisions integrated the findings from the typologies report and the incorporated additional insights and examples of best practices from governments, Non-Profit Companies (NPC)s, and financial institutions.<sup>16</sup>

In June 2016, after engaging extensively with the NPC sector and witnessing instances of the overly broad application and misapplication of recommendation (8), FATF made revisions to both recommendation (8) and its accompanying interpretive note.<sup>17</sup>

Accordingly, Jordan did not fulfill several crucial obligations essential for a comprehensive combating system<sup>18</sup> and was under increased monitoring as being noncompliant. As a result, FATF paid an on-site visit to the supervisory authorities including Companies Control Department, the Anti-Money Laundering Unit and other related entities to make an analysis of the legal and regulatory framework, institutional framework, preventive measures pertaining to the recommendation eight. FATF's evaluation based on the regulations in place was made available by the mentioned laws, e.g. the anti-money laundering law, the terrorism prevention law, the Jordanian penal code, the law on penal courts, the law on anti-corruption authority, the companies' law, the exempted companies' regulation, etc.

The legislations in place were not updated to keep pace with evolving threats and techniques used by individuals and entities engaged in terrorist financing. Outdated laws may lack provisions to address emerging risks effectively. So, the legal framework in Jordan lacks primary or delegated legislations that mandate compliance with the fundamental requirements specified in certain FATF recommendations.

Regarding the criminalization of terrorist financing, Jordanian lawmakers established the legal framework for this act by including the terrorist financing crime under the terrorism prevention law issued in November 2006 and considering terrorist financing a terrorist act. The criminalization scope mentioned in the terrorism prevention law does not extend to include acts committed by terrorist organizations or terrorists to be in conformity with the International Convention for the Suppression of the Financing of Terrorism. It is noticeable that the concept of funds is not clear in relation to terrorist financing in the said law. Sentences for natural and legal persons who commit terrorist financing acts are non-dissuasive, disproportionate. It is not possible to measure the effectiveness due to the absence of evidence and the absence of statistics.

<sup>15</sup> FATF 2015.

<sup>16</sup> FATF 2023.

<sup>17</sup> CGCC, To protect and prevent outcomes of a global dialogue to counter terrorist abuse of the nonprofit sector, 2013. [https://www.globalcenter.org/wp-content/uploads/CGCC\\_Prevent-Protect-Report\\_pgs.pdf](https://www.globalcenter.org/wp-content/uploads/CGCC_Prevent-Protect-Report_pgs.pdf).

<sup>18</sup> Middle East & North Africa Financial Action Task Force, Mutual Evaluation Report of the Hashemite Kingdom of Jordan. MENAFATF, 2009. [https://www.menafatf.org/sites/default/files/MER\\_Hashemite\\_Kingdom\\_of\\_Jordan.pdf](https://www.menafatf.org/sites/default/files/MER_Hashemite_Kingdom_of_Jordan.pdf).

Concerning legal entities, the Penal Code specifies that judgments against them can only involve fines and confiscation. The absence of any mentioning of a fine or confiscation penalty in Article (7) of the Terrorism Prevention Law (TPL) is attributed to the provisions of Article (74) of the Penal Code. According to paragraph (3) of Article (74), “(...) and if the law prescribes a primary penalty other than a fine, that specified penalty would be replaced by the fine, and legal entities would be subject to a fine within the limits outlined in Articles 22 to 24.” Consequently, the penalty imposed on legal entities cannot be deemed dissuasive or proportionate.<sup>19</sup>

Additionally, in line with Article (74), there is the possibility of implementing further precautionary measures, such as prohibiting a legal authority from operating or dissolving it, as outlined in Articles (36 and 37) of the Penal Law.<sup>20</sup>

Jordan’s company law did not statute any articles regarding the legal persons in case of exercising a direct or indirect illicit activities for the purposes of financing terrorism through their management or mentioning of any penalties sentenced. Moreover, the declaration by the partner/shareholder to determine the real beneficiary when registering companies, which must be submitted, is not included in the said law. The absence of such measures will contribute to the increase of misusing non-profit organizations and all registered companies in Jordan.

Another system shortcoming is the absence of a risk-based approach for Non-Profit Companies registered in favor of the Companies Control Department, as such an approach would protect this particular sector from being misused to fund terrorism.

The Department shall cooperate to specify and define the vulnerabilities and threats exposing such companies to risks, which an estimated (1589) companies fall within its supervisory and are exposed to high, medium, and low risks.

With respect to national collaboration, there is no indication of a clear policy or any established mechanism for cooperation and coordination among the relevant authorities concerning combating the financing of terrorism.

As for international collaboration, Jordan has ratified the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna) and the UN Convention for the Suppression of the Financing of Terrorism. However, it is important to note that these conventions have not been fully implemented.

There are no existing laws or measures ensuring a prompt and effective response to mutual legal assistance requests from foreign countries, particularly when such requests pertain to properties of equivalent value. Furthermore, there are no specific arrangements to coordinating seizure and confiscation measures with other countries. In terms of extradition, Jordan cooperates extensively, overcoming legal or practical obstacles to provide assistance in cases where both countries criminalize the primary act of the crime.

Law enforcement agencies and the relevant supervisory authorities face a shortage of resources including inadequate funding, staffing and technological resources can hamper the ability of supervisory authorities to carry out effective monitoring, inspe-

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

ctions and investigations. Furthermore, employees within these competent authorities lack adequate training related to AML/CFT.<sup>21</sup>

Jordan must enhance both human and technical resources across various competent authorities crucial to the effectiveness of the combating system. The number of human resources in each authority does not exceed approximately (200) and those who worked on the issue of exercising legal and financial supervisory are between (15-20) employees due to extensive in-house work.

The deficiency in these resources currently hampers the efficiency of the system. Moreover, there is insufficient awareness for budgeted reasons among both the officials and private sectors regarding terrorist financing risks, both in terms of their vulnerability to exploitation for illicit transactions and the potential consequences.<sup>22</sup>

In conclusion, the main areas of strategic deficiencies identified by FATF to be addressed by the supervisory authorities are for example the lack of sufficient laws and regulations related to combating the funding of terrorism, lack of satisfactory and adequate regulatory and supervisory frameworks, lack of robust and effective measures including lack of transparency in beneficial ownership information, lack of international cooperation, limited risk assessment, lack of collaboration with the private sector, human resources and technological challenges.

Thus, Jordan was required to do legislative reforms and enhance the role of the supervisory authorities in countering all means utilized by the terrorists to legalize their illicit activities and to establish targeted financial sanctions regimes in line with United Nations Security Council resolutions aimed at preventing and suppressing terrorism and terrorist financing.

## 4.2. Jordan's Reforms and Compliance to FATF Recommendations

Jordan is at the forefront of countries fighting terrorism and extremism within a comprehensive approach based on legislative, intellectual, security and military dimensions.

Jordan's position on the phenomenon of terrorism and extremism stems primarily from the message and legitimacy of the Hashemite leadership and from the cultural composition of the Jordanian people, which respects moderation and rejects extremism and the use of religion and ideologies to spread violence, hatred, and incite terrorism.<sup>23</sup>

Jordan is working with the international community to formulate a comprehensive approach to dealing with the threat of terrorism, which is no longer just a challenge facing a specific country, region or component, but rather a target that reaches the level of a threat and affects the entire international community.<sup>24</sup>

To align with FATF standards in the designated domains and perform the required reforms, Jordan has been actively addressing the deficiencies identified in the Mutual

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> <https://www.mfa.gov.jo/content/%D9%85%D9%83%D8%A7%D9%81%D8%AD%D8%A9-%D8%A7%D9%84%D8%A5%D8%B1%D9%87%D8%A7%D8%A8-%D9%88%D8%A7%D9%84%D8%AA%D8%B7%D8%B1%D9%81-%D8%A7%D9%84%D8%B9%D9%86%D9%8A%D9%81>

<sup>24</sup> Ibid.

Evaluation Report (MER), particularly in the recommendations where the country requested re-rating. These recommendations include (1, 5, 6, 8, 24) and stress the necessity of complying with and fully implementing Security Council Resolutions related to combating terrorism, the most important of which are resolutions No. (1267, 1989, 2253, 1373 and other relevant resolutions) aimed at drying up the sources of terrorism.<sup>25</sup>

As per for FATF recommendations and their interpretive notes, Jordan ought to assess the effectiveness of their laws and regulations concerning entities susceptible to exploitation for terrorism financing. Non-profit organizations, in particular, face heightened vulnerability, and the authorities are advised to take the following actions:<sup>26</sup>

1. Broaden the scope of Terrorism Financing (TF) criminalization to encompass actions potentially undertaken by terrorist organizations or individuals involved in terrorism, aligning with the UN Convention for the Suppression of the Financing of Terrorism.
2. Provide a clear definition for the concept of funds under the UN Convention for the Suppression of the Financing of Terrorism.
3. Establish a penalty that is both dissuasive and proportionate for individuals and legal entities found guilty of committing the TF crime.
4. Addressing these challenges requires a comprehensive and coordinated effort involving legislative updates, enhanced enforcement powers, sufficient resources, international collaboration and ongoing risk assessments. Regular reviews and adjustments to legislation and regulatory frameworks are crucial to adapt to emerging threats and close loopholes effectively. Additionally, supervisory authorities should work closely with relevant stakeholders, including the private sector and international partners, to strengthen the overall effectiveness of anti-terrorist financing measures.
5. Authorities responsible for setting up, registering, and granting licenses to legal entities are required to acquire precise and current details regarding the individuals who ultimately benefit from these entities.
6. The relevant entities must identify, evaluate, comprehend and oversee the risks associated with money laundering and terrorist financing. This process should consider risk factors associated with customers, countries, geographical regions, products, services, channels, transactions, and evolving techniques. The assessment should be appropriate to the nature and scale of the reporting entity, comply with supervisory authority requirements, and align with the national risk level.

For the purposes of setting-up the plans necessary for the implementation of the abovementioned tasks and developing the general policy for anti-money laundering and counter terrorist financing, the National Anti-Money Laundering and Counter Terrorist Financing Committee was reconstituted per the provisions of Article (5) of the Anti-Money Laundering and Terrorist Financing Law No. 20 of 2021 and is comp-

<sup>25</sup> Ibid.

<sup>26</sup> FATF, International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation. Paris, 2012-2023. [www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatfrecommendations.html](http://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatfrecommendations.html).

rised of higher level of officials representing the governmental ministries, enforcement, supervisory, regulatory and related authorities.<sup>27</sup>

Although recommendation (8) is concerned with Non-Profit Companies as being a tunnel for terrorists to exercise their illegal aims, it does not function independently. Its implementation should align with the broader principles outlined in recommendation (1), which emphasizes the adoption of a risk-based approach, recommendation (24) concerning the importance of beneficial ownership to reduce the misuse of legal entities if information regarding the legal owner and the beneficial owner, the source of the corporate vehicle's assets and its activities becomes available to the authorities in a timely manner, recommendation (5) criminalizing the funding of terrorism, recommendation (6) targeted at the financial sanctions related to terrorism & terrorist financing. Accordingly, two working teams have been established, each representing relevant national authorities. One team focuses on establishing a beneficial ownership registry, while the other is tasked with devising a methodology to conduct risk assessments pertaining to legal entities and arrangements.

The adoption of FATF recommendations is not only restricted to the said committees, the Companies Control Department and the Anti-Money Laundering and Countering Terrorist Financing Unit also play an important role mandated by their respective laws in ensuring the implementation of a number of principles to advance Jordan's rank in terms of combating financing terrorism.

The former has a mandate to register, monitor, control companies' businesses and the latter receives reports regarding transactions possibly linked to money laundering or financing terrorism, requesting relevant information, scrutinizing and probing these transactions. It is responsible for preparing a report attached to information, data and documents related to the existence of a transaction suspected of being linked to terrorist financing and refers it to the competent public prosecutor to conduct an investigation into it.<sup>28</sup>

#### 4.2.1. *The Companies' Control Department*

The Companies' Control Department (CCD), operates under the Ministry of Industry, Trade and Supply of Jordan and is responsible for registering various types of companies, including the Non-Profit Companies are registered in a special record.

The department plays a crucial role in ensuring the proper functioning, transparency, and compliance of companies to the company law No. (22) of 1997 and its amendments, which is the governing law to oversee the businesses of Jordanian companies legally and financially.

To implement recommendation (8), FATF defines a non-profit organization as a legal entity, arrangement, or organization primarily involved in collecting or distributing funds for charitable, religious, cultural, educational, social, purposes, or for other altruistic endeavors.<sup>29</sup> All member states to FATF shall specify that all companies fall under the definition of FATF and use all related information to identify the types and

<sup>27</sup> <https://www.amlu.gov.jo/Default/Ar>.

<sup>28</sup> Ibid.

<sup>29</sup> FATF 2023.

characteristics that may expose non-profit companies to abuse due to the nature of businesses, the nature of threats and how terrorists' abuse of non-profit companies shall be defined.

FATF's definition applies to the NPCs that fall under the supervision of the department. Only companies carrying out businesses in the health sector, education sector, microfinance, investment promotion and training or any other objective in the form of a limited liability, private shareholding, general partnership or limited partnership company are registered in the records of CCD. As stated in the interpretive note accompanying recommendation (8), terrorists and terrorist groups may utilize certain NPCs within the sector for purposes such as fundraising, facilitating the movement of funds, providing logistical assistance, recruiting individuals for terrorist activities, or otherwise supporting terrorist organizations and their operations. This exploitation not only enables terrorist actions but also undermines donor trust and jeopardizes the fundamental integrity of NPCs. Consequently, safeguarding the NPC sector from terrorist exploitation is not only vital in the global effort against terrorism, but also essential for maintaining the integrity of the NPC sector and ensuring the trust of donors. The number of registered Non-Profit Companies till this date reached (1589) according to the website of the Companies' Control Department.

Recommendation (8) is designed to specifically target NPOs that present the highest risk of being exploited for terrorist financing activities. The aim of the recommendation is to prevent such companies from being exploited by terrorist groups as they may be susceptible to exploitation by terrorists for various reasons as they benefit from public trust, possess access to significant funding sources and frequently deal with cash transactions. Moreover, some NPOs operate globally, facilitating both national and international operations and financial transactions, often in regions prone to terrorist activities. where companies experienced minimal government oversight, such as in registration, record-keeping, reporting, and monitoring. Alternatively, the creation of NPOs may require few formalities, with no mandatory qualifications or starting capital and background checks for employees might not be obligatory. Terrorist groups have exploited these characteristics of NPOs to infiltrate the sector, misusing NPO funds and operations to conceal or support their terrorist activities.

Jordan's legislations in place as the Jordanian Non-Profit Companies Regulation No. 73 of 2010 and its amendments stipulates in article (9) that the company during the first three months of the beginning of the fiscal year shall provide an annual report containing its operations, activities and sources of funding, accompanied by its balance sheet certified by the company's authorized signatories, its auditor, any other information that the Controller may request, the business plan, its activities, the projects expected to be implemented during the year and a detailed statement of financing for these activities and projects. This ensures that they are complying with the law and the CCD staff can do their work by investigating their businesses clarified by the auditor.

The legislation in place pertaining to the compliance of the non-profit companies to the effective law remains ineffective to ensure that they are not abused for the purposes of financing terrorism. To adhere to FATF recommendations the Companies' Control

Department worked on modifying the company law and amended the article (273) and added article (273/bis) to the said law including the following:

1. The registered companies shall disclose all information regarding the real beneficiary of shares in the company. All companies shall maintain a record that includes information about the real beneficiary and any changes that occur to his data, within a certain period of the change occurring or registering the change with the department and the controller has the right to request any document or information that allows him to check the accuracy of the information provided about the company.
2. Companies must correct their status within a maximum period of three months from the effective date of the provisions of the amended law, so that their basic data and information are amended in accordance with the instructions issued for this purpose.
3. The General Controller of Companies is required to record the name of the real beneficiary in an electronic register containing data and information, so that all or any part of it is available to the public or linked to the databases of the relevant authorities.
4. The controller should cooperate with international counterparts and follow up on the quality of assistance provided in response to requests for international cooperation regarding basic information of registered companies, information of beneficial owners, and determining the whereabouts of those residing abroad in accordance with applicable legislation or in accordance with the principle of reciprocity, as the provisions of this article are implemented under a system issued for this purpose.
5. The company in case of a breach of law shall be penalized with a fine between 2,000-20,000 Jordanian dinars or imprisonment for a period not exceeding one year, or both penalties.
6. The Companies' Control Department issued the beneficial ownership registry regulation No. 26 of 2022 to implement the provisions mentioned in article (273, paragraph D) as mentioned above.

The above-mentioned amended company law No. 19 of 2021 was issued on September 16, 2021 by adding Article (273/bis) in order to be consistent with the legislation issued by the Central Bank of Jordan. Its significance lies in not only safeguarding non-profit companies from being exploited for the purposes of financing terrorism but also all registered companies in Jordan and meeting the requirements of the relevant objectives of the Anti-Money Laundering and Countering the Financing of Terrorism Law.

The amended companies law No. 20 of 2023 that was issued on August 13, 2023, is as another achievement for Jordan and specifically for the Companies' Control Department. The amendments contribute to achieving stability and ensuring the effectiveness of the measures taken by the department to improve the Kingdom's classification in combating money laundering and terrorist financing according to (FATF). Article (285) was amended in the mentioned law by giving the Controller of Companies the power to notice the company by announcing on the department's official website that it was

listed among suspended companies after one month from the date of the notice in cases i) if a company fails to adjust its situation in accordance with the provisions of the law, ii) if it did not prove that it no longer has headquarters, iii) if it ceased to carry out its business or the duties imposed on it by law, iv) if a period exceeding (6) months has passed without election of the general manager of the company or a board of directors. In this case, the company is prohibited from carrying out any actions and its manager or board of directors also loses all their power. The article also states that when the Controller checks the status of the company, he has the power to proceed with the required procedures to dissolve the company in case the company remains listed among suspended companies for more than a year without executing the necessary actions and procedures to move to the operating companies' registry upon the request of the company. The suspension or dissolution of a legal entity is considered as implementation of precautionary measures in line with what is outlined in articles (36) and (37) of the Penal Law and in line with article (74) of the same law.

The adoption of a risk-based approach is also required by FTAF recommendation (1). It acts as a guiding principle for countries, directing their resources and focusing efforts on addressing identified high-risk deficiencies in their systems.

Adopting a "one size fits all" strategy would contradict recommendation (1) and hinder the effective implementation of a risk-based approach. Simultaneously, Jordan may employ measures tailored to the risks identified in its domestic assessment of the NPO sector and its comprehension of the Terrorism Financing (TF) risks specific to the sector.

For the purposes of conducting the said approach, a team was formed in 2022 to define the threats and vulnerabilities of exposing to risks of misuse to fund terrorists to all legal persons. While the approach targeting non-profit companies was prepared in 2022 by a committee formed to classify non-profit organizations to certain characteristics resulting from intensive investigation to the sector concluded with the low level of vulnerability threats that companies have to face.

The non-profit companies identified with exposing themselves to vulnerable financing terrorism threats are (23) with medium and low risks.

#### 4.2.2. *The Anti Money-Laundering and Counter Financing Terrorism Unit*

The Anti-Money Laundering and Counter Financing Terrorism Unit was established in Jordan in accordance with the Anti Money Laundering and Counter Terrorist Financing Law No. 46 of 2007.<sup>30</sup>

The primary duties of the Unit include receiving notifications concerning transactions that are suspected to be involved with money laundering or terrorist financing. The unit has the right to exchange information with counterpart units on the condition of reciprocity and that this information is only used for purposes related to combating money laundering and the financing of terrorism and on the condition of obtaining the approval of the counterpart unit that provided that information.<sup>31</sup>

<sup>30</sup> <https://www.amlu.gov.jo/>.

<sup>31</sup> [https://www.amlu.gov.jo/Ar/Pages/%D9%86%D8%A8%D8%B0%D8%A9\\_%D8%B9%D9%86\\_%D8%A7%D9%84%D9%88%D8%AD%D8%AF%D8%A9](https://www.amlu.gov.jo/Ar/Pages/%D9%86%D8%A8%D8%B0%D8%A9_%D8%B9%D9%86_%D8%A7%D9%84%D9%88%D8%AD%D8%AF%D8%A9).

According to FATF recommendations resulting from the outcome of the Kingdom's mutual assessment process, the Unit implemented effective strategies that are compatible with international standards. These efforts included reviewing its legislations result in amending the Anti-Money Laundering and Counter Terrorist Financing Law No. 46 in 2007, which underwent a significant transformation with the enactment of Law No. 20 of 2021.

The provisions of the new amended Law of Anti-Money Laundering and Terrorist Financing No. 20 of 2021 are fully consistent with the International Convention for the Suppression of the Financing of Terrorism 1999 and provide a more substantial framework for combating money laundering (AML) and countering terrorist financing (CFT), keep pace with developments and changes taking place in the world and at the same time ensure the protection of the national economy and the interests of all parties, to expand the scope of the categories covered by the provisions of the law, define the regulatory and supervisory bodies and competent authorities therein, expand the powers of the National Committee to Combat Money Laundering and Terrorist Financing, and define the tasks and powers of the unit.

The said committee is entitled to adopt and update procedures for assessing the risks of money laundering, terrorist financing and the proliferation of weapons of mass destruction in Jordan, provide the competent authorities with information related to risk assessments of money laundering and terrorist financing and strengthen cooperation and coordination in the field of applying the necessary frameworks to combat money laundering and terrorist financing, propose draft legislation related to money laundering and terrorist financing.

Article (4) in the new amended law aligned with FATF Recommendation (5), which identified the crime of financing terrorism and the material and moral elements for the occurrence of this crime. This article includes that any person can be considered to have committed a terrorist financing offense under the following circumstances:<sup>32</sup>

1. If they knowingly provide or collect funds, whether from legal or illegal sources, with the awareness that these funds will be used, either entirely or partially, to carry out a terrorist act by a terrorist or terrorist organization, directly or indirectly, through any means.
2. If they intentionally contribute to or support a group of individuals in committing a terrorist financing offense.
3. If they finance the travel of individuals to a country other than their own for the purpose of engaging in terrorist activities, planning, preparation, participation, or facilitation of terrorist acts, or for providing or receiving terrorist training.
4. If they participate in committing any of the terrorist financing offenses described in this paragraph, or if they organize or instruct others to commit such offenses.
- 5- If they attempt to commit any of the offenses outlined in this paragraph.

Furthermore, an offense of terrorist financing is considered to have been committed even if the terrorist act doesn't occur or isn't attempted. This holds true regardless of

<sup>32</sup> Anti-Money Laundering and Counter Terrorist Financing Law No. 21 of 2021.

whether the funds were actually used for the terrorist act, were connected to a specific terrorist act, or where the terrorist act was intended to take place.

The Financial Action Task Force emphasizes the adoption of a risk-based approach as a key recommendation to combat money laundering and terrorist financing effectively. This approach serves as a guide for countries to allocate resources and concentrate efforts on addressing high-risk deficiencies within their systems. Additionally, countries may opt to apply simplified measures in accordance with FATF recommendations for low-risk scenarios.

The importance of continuous and effective cooperation between various government agencies as part of the policy applied by the Central Bank of Jordan to monitor terrorist financing operations in accordance with a set of basic guiding principles in a way that contributes to achieving consistency and integrity in applying the risk-based supervision approach, since the risk-based approach achieves effective oversight of anti-money laundering and terrorist financing operations, which would provide the ability to respond to emerging threats and risks facing non-profit companies. In addition, this approach would contribute to help establish and sustain relationships based on cooperation with the stakeholders and encouraging effective and continuous compliance with anti-corruption requirements.

To implement FATF recommendation (1), the Unit led the works of a team formed by the competent authorities to execute what is mentioned in article (15) of the law. Such a team must identify, evaluate, comprehend, and oversee the entities' risks associated with money laundering and terrorist financing. This involves considering risk factors related to customers, countries, geographic areas, products, services, channels, transactions and evolving techniques. The assessment should be proportional to the reporting entity's nature and size, as well as in alignment with supervisory requirements and the national risk level.

Pursuant to article (22), the effective law ensures the importance of applying recommendation (24), which obliges the legal entities to file the beneficial owner in special records of the competent authorities. The law defines the term "beneficial owner" as it is "the natural person who ultimately owns or controls a customer, directly or indirectly or the person on whose behalf the transactions are being conducted or that ultimately controls a legal person or a legal arrangement".<sup>33</sup>

The new law formed the basic pillar in the field of Jordanian compatibility with international standards in the framework of combating money laundering and terrorist financing, in addition to amending other laws and legislation such as the Company Law, the beneficial owner registry system, and the accuracy of basic data related to companies. Such legislative reforms contributed to remove Jordan from the international list of countries under increased monitoring ahead of schedule, which reflects the commitment and high professionalism of Jordan in this field.

<sup>33</sup> Ibid.

## 5. Conclusion

Jordan exerted its efforts on enhancing the process of combating the financing of terrorism system and condemned all forms of terrorism, aligning itself with the international community's efforts and continually emphasized its dedication to combating terrorism, responding positively to requests for concrete actions in support of coalition initiatives against terrorists. This endeavor primarily serves the interests of Jordan, its economy, its financial system and contributes to the safety and security of its citizens.

In October, 2021, Jordan was announced to be under increased monitoring by FATF and pledged to promptly address the identified shortcomings within specified deadlines aimed at combating money laundering, terrorist financing, and proliferation financing. This roster is commonly known externally as the "grey list".

Recommendation (8) is one of the key FATF recommendations targeting Non-Profit Organizations and outlining the tools misused by terrorist groups including NPCs for purposes such as fundraising, facilitating the movement of funds, providing logistical assistance, recruiting individuals for terrorist activities, or otherwise supporting terrorist organizations and their operations. They may exist in various structures, such as a sole proprietorship (including personal charitable donations), an unincorporated association, a corporation, a foundation (characterized by its funding from a founder and organized as a trusteeship), or a condominium. Consequently, safeguarding the NPC sector from terrorist exploitation is not only vital in the global effort against terrorism but also essential for maintaining the integrity of such a sector and ensuring the trust of donors.

Consequently, such recommendations come to prevent the misuse of NPOs by terrorist organizations and measures should be implemented to<sup>34</sup> stop the exploitation of legitimate entities as channels for terrorist financing, including evading asset freezing measures and uncover and prevent the covert diversion of funds initially intended for legitimate purposes but redirected for terrorist activities.

The government of Jordan has embraced a strategy to rectify the deficiencies highlighted in the FATF mutual evaluation following an observation period. The plan involves implementing the action points within a specified timeframe, with FATF overseeing the progress of this implementation.<sup>35</sup>

Jordan must do legislative reforms and enhance the role of the supervisory authorities in countering all means utilized by the terrorists to legalize their illicit activities, particularly the policies implemented to protect non-profit companies from being abused. The importance of amending the legislation in Jordan lies in the importance of the legal texts related to combating the crime of money laundering and terrorist financing to dry up the sources of these crimes and prevent their occurrence.

Jordan has adopted the following measures to leave the grey list:

1. Amendment of the Anti-Money Laundering and Counter Terrorist Financing Law to criminalize terrorist financing, broaden the range of predicate offenses to include

<sup>34</sup> FATF 2001.

<sup>35</sup> Middle East & North Africa Financial Action Task Force 2009.

- all crimes, grant greater independence to the Unit and expand the covered entities to include various financial institutions and non-financial businesses and professions.
2. Issuance and/or amendment of AML/CTF instructions and guidelines to a range of entities, including banks, money exchanges, insurance companies, securities firms, financial leasing companies, real estate, and jewelry businesses, by competent authorities.
  3. Adoption of AML/CTF inspection manuals by the Central Bank of Jordan and the Insurance Commission.
  4. Adoption of instructions and formalization of procedures for implementing obligations under UNSCRs 1267 (1999) and 1373 (2001).
  5. Implementation of other measures by various competent authorities, such as the Companies Control Directorate adopting the Beneficiary Owner Declaration Form and the Ministry of Justice adopting Mutual Assistance Procedures and endorsing the Palermo Convention.
  6. Understanding the associated risks and formulating appropriate mitigation measures are essential steps to deter and prevent criminals from exploiting legal persons and arrangements.
  7. Maintaining comprehensive and up-to-date records of basic and beneficial ownership information for legal entities, monitoring and pursuing money laundering cases related to underlying offenses aligned with its risk profile, conducting risk-based monitoring of NPOs without impeding legitimate NPO activities, resulting in Jordan's official exemption from the FATF's heightened monitoring.

On October 27, 2023 the FATF plenary meeting concluded that Jordan is among the countries that had effectively addressed the action points outlined during the FATF onsite visit. Consequently, Jordan was deemed to have met the necessary criteria and removed from the grey list.

This announcement is considered as a recognition of Jordan's success in advancement in addressing its AML/CFT shortcomings and strengthens the national system to combat terrorist financing, harmonizing it with international standards contributing to strengthening its investment environment and completes the implementation of all provisions of the special action plan approved by (FATF) in October 2021.

The effective implementation of the plan is an imperative necessity to protect the economy and the region and to fully reap the benefits of Jordan's economic and financial activities.

The priority given by the government to combat money laundering and the financing of terrorism will not end with announcing this removal from the "grey list", but rather will continue in order to effectively address emerging issues related to combating money laundering and terrorist financing. Facing limitations in their legal authority to investigate, prosecute, and enforce anti-terrorist financing measures. This can hinder their ability to take decisive actions against suspicious activities.

Following the amendments made by Jordan recently, they are still under increased monitoring by FATF. There are no laws or measures that guarantee quick and effective responsiveness to mutual legal assistance. In general, the Unit, law enforcement agencies

and the supervisory authorities working in AML/CFT face limitations in their legal authority to investigate, prosecute, and enforce anti-terrorist financing measures. This can hinder their ability to take decisive actions against suspicious activities. Moreover, it lacks sufficient human, financial and technical resources to perform their duties effectively and employees of such authorities are not provided with appropriate training in relation to AML/CFT.

Ultimately, I recommend at the end of my article implementing one of the best practice tools, which is the adoption of good governance rules and strong financial management through appointing a Board of Directors having a high degree of understanding of the organization's goals and acting in their interest. The Board of Directors shall have the power to maintain and oversee the organization by establishing strong financial and human resources policies, meeting on a regular basis, and monitoring activities closely.

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