

MINISTERE DES FINANCES

*Cellule de Traitement  
du Renseignement Financier*



وزارة المالية

خلية معالجة الإستعلام المالي

Le Président

الرئيس

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**CTRF Guidelines related to targeted financial sanctions related to terrorism and  
Terrorist Financing**

**Foreword:**

The Government Action Plan has provided for a strengthening of the fight against Money laundering and Terrorist Financing : «...adaptation of the national regime in accordance with international standards...».

In that respect, the amendment to the Law n°15-06 of 15 February 2015 modifying and supplementing the Law n°05-01 of 6 February 2005 related to the prevention and fight against money laundering and terrorist financing aims in particular to the adaptation to the internal law of measures recommended by International conventions, Resolutions of the United Nations Security Council, in particular Resolution 1267 and 1373, as well as recommendations of the Financial Action Task Force (FATF).

Therefore, the law mentioned above strengthens the mechanism of freezing and/or seizure of funds belonging to terrorists or terrorist organizations in particular by new provisions related to the freezing of funds within the framework of International Financial Sanctions taken pursuant to Resolutions 1267 and 1373 of the United Nations Security Council.

The freezing mechanism is defined from Articles 18 bis to Article 18 bis4 of the law mentioned above.

Modalities of application of Articles 18 bis to Article 18 bis4, of the above mentioned law, are explained in the Executive Decree n°15-113 of 12 May 2015 related to the procedure of freezing and/or seizure of funds and assets within the framework of prevention and fight against terrorist financing.

Moreover and in order to define modalities of application of the Executive Decree N°15-113 of 12 May 2015 related to the procedure of freezing and/or seizure of funds and assets within the framework of prevention and fight against terrorist financing, two (02) orders signed by the Minister of Finance have been published:

- The first dated 31 May 2015 deals with the procedures of freezing and/or seizure of funds of persons, groups and entities reported on the recapitulative list of United Nations Security Council Sanctions Committee as stated in United Nations Security Council Resolutions in particular 1267 (1999), 1452 (2002) and 1904 (2009).

- The second one is dated 31 May 2015 and is related to the Order of freezing and/or seizure of funds of persons, groups and entities reported on the recapitulative list of United Nations Security Council Sanctions Committee.

Those measures, of universal type, compel obliged persons to implement targeted financial sanctions regimes pursuant to relevant United Nations Security Council Resolutions (UNSCR) pertaining to the prevention and repression of terrorism and targets:

- (i) any person or entity designated by the United Nations Security Council in accordance with Chapter VII of the United Nations Charter, pursuant to UNSC Resolution 1267 (1999) and subsequent ones; and/or:
- (ii) Any person or entity designated by that country in accordance with UNSC resolution 1373 (2001).

**Identification and designation of persons and entities financing or supporting terrorist activities:**

For the purposes of Resolution 1267 and subsequent resolutions, designations are carried out by the Committee 1267 and by the Committee 1988, with both committees acting under the authority of Chapter VII of the United Nations Charter.

Regarding Resolution 1373 (2001), designations are implemented by a country or countries acting on their own motion, or that of another country, as Algeria has the assurance, according to applicable legal principles, that a requested designation is supported by reasonable grounds, or reasonable basis allowing to suspect or believe that the proposed designee meets the criteria for designation in resolution 1373 (2001).

**Duties of Obligated Persons:**

Obligated persons are required to consult and check on the website of the (Financial Intelligence Processing Unit), if the listed persons, groups or entities are among their clients being new clients or existing ones, and to implement without delay targeted financial sanctions against persons and entities designated by the 1267 Committee and 1988 Committee (in the case of resolution 1267 (1999) and its successor resolutions), when these Committees are acting under the authority of Chapter VII of the Charter of the United Nations.

Regarding existing clients, in case verification of clients files proves positive, obliged persons shall without delay apply freezing measures, report it to the CTRF (Financial Intelligence Processing Unit) without delay, and notify persons and entities involved who are part of their clients. That notification constitutes the starting point for the time allowed for Appeal provided for in Article 18 bis 4 of the law n°15-06 of 15 February 2015 amending and supplementing the law n°05-01 of 06 February 2005 pertaining to prevention and fight against Money Laundering and Terrorism Financing.

If verification of clients' files proves negative, obliged persons shall also report it to the CTRF (Financial Intelligence Processing Unit).

Regarding new clients, or even during a specific operation with a new client, there is requirement to make sure the latter or his nominees and the actual beneficiaries are not persons, groups or entities whose names are listed on the institutional website of the CTRF. If the names are listed, they shall apply freezing measures without delay and report them to the CTRF (Financial Intelligence Processing Unit).

Regarding resolution 1373 (2001), the imposed obligation, to take freezing measures and prohibits without delay transactions on funds and other assets belonging to designated persons or entities, is implemented by a designation at the national level, consistent with Article 3 of Executive Decree 15-113 mentioned above.

In so doing, the CTRF (Financial Intelligence Processing Unit), the competent organs of tutelage or supervision are in charge of implementing and insuring the application of targeted financial sanctions according to the following procedures and standards:

**(a)** Obligated persons and competent administrations are required of freezing, without delay and without prior notice, funds and other assets of persons and entities designated by the recapitulative list published and communicated on the institutional website of the CTRF (Financial Intelligence Processing Unit):

That obligation shall extend to:

- All the funds and other assets owned or controlled by designated persons and entities, and not just those that can be tied to a particular terrorist act, plot or threat;
- To funds and other assets owned or controlled, wholly or jointly, directly or indirectly, by designated persons or entities;
- To funds and other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons or entities;
- And to the funds and other assets of persons or entities acting on behalf of or at the direction of designated persons or entities.

**(b)** It is forbidden to any foreigner and to any person or entity to provide funds or other assets, economic or financial resources and other related services, directly or indirectly, wholly or jointly, for the benefit of designated persons or entities, entities owned or controlled, directly or indirectly, by the designated persons or entities and the persons and entities acting on behalf or under instructions of designated persons or entities unless licensed, authorized or otherwise notified in accordance with the relevant UNSC resolutions.

**(c)** Within the framework of implementing the two (02) Orders of 31 May 2015 taken in application of the law n°05-01 of 6 February 2005 related to the prevention and fight against Money Laundering and Terrorist Financing as amended and supplemented and Executive Decree N° 15-113 of 12 May 2015 related to the procedure of freezing and/or seizure of funds and assets, the CTRF (Financial Intelligence Processing Unit) publishes on its institutional website, as a matter of communication, designation to the financial institutions and to the non-financial enterprises and professions as soon as those designations occur.

The Order to freeze and/or to seize taken by the Minister in charge of Finance, in accordance with the law n°05-01 of 6 February 2005, mentioned above, is published without delay, on the institutional website of the CTRF (Financial Intelligence Processing Unit)

The publication, on the institutional website of the CTRF (Financial Intelligence Processing Unit), of the Order of the Minister in charge of Finance is tantamount to notification to the obliged persons of the Order of freezing and/or seizure without delay of funds and assets of persons, groups and entities occurring on the said list.

In addition, the CTRF (Financial Intelligence Processing Unit) issues clear instructions, in particular to the Financial Institutions and other persons and entities, including non-financial enterprises and professions, likely to detain the named funds and other assets, regarding their duties within the framework freezing mechanisms.

(d) Obligated persons are required to report to the competent authorities about any follow-ups, any frozen asset and the measures taken in accordance with the bans including transaction attempts.

(e) Obligated persons and any interested person or institution may consult the list of designated persons on the institutional website of the CTRF (Financial Intelligence Processing Unit) which is freely accessible.

(f) The protection of the rights of *Bona fide* third parties is assured in accordance with the legislation in force.

As a reminder, Article 4 of Executive Decree n° 15-113 of 12 May 2015 related to the procedure of freezing and/or seizure of funds and assets within the framework of prevention and fight against terrorist financing entrust the Judicial Treasury Agency. The management of frozen and/or seized funds and assets that require administrative Acts.

Frozen and/or seized funds in bank and post office accounts are transferred by the financial institutions as well as by the Designated Non-Financial Enterprises and Professions concerned to the Central Treasurer for the purpose of record in his books in a detailed manner.

The same procedure is also used for frozen and/or seized funds that are housed in personal fund accounts opened in the Treasury books.

Those funds are kept recorded as detained in the books of the Central Treasurer until the freeze and/or the seizure is lifted by the Committee of Sanctions of the United Nations Security Council.

**Obligation of Verification:**

The obliged persons are required to verify, on the recapitulative list annexed to the Order of the Minister of Finance that is published and communicated on the institutional website of the CTRF (Financial Intelligence Processing Unit), if the persons, groups or entities under sanctions are among their clients.

The obligation of verification is applicable to existing clients as well as to new ones.

Transactions with designated persons and entities are strictly prohibited.

**Delisting, Unfreezing and Providing Access to Frozen Funds or Others Assets:**

As soon as the 1267 Committee or 1988 Committee has delisted a person or entity, the obligation to freeze no longer exists. Consequently, the procedure of lifting the freezing is ordered without delay and obliged persons are informed about that decision.

In the case of de-listing requests, these should be in accordance with procedures adopted by the 1267 Committee and 1988 Committee under Security Council resolutions 1730 (2006), 1735 (2006), 1822 (2008), 1904 (2009), 1988, 1989 (2011) and any successor resolutions. It is worth mentioning however that any person or entity wishing to be de-listed from sanctions list may submit a request to the United Nations Office of the Ombudsperson.

Regarding the designated persons and entities under resolution 1373 (2001), legal and regulatory mechanism are applicable for the de-listing and the unfreezing of funds and other assets of persons and entities that no longer meet designation criteria.

Decisions to de-list and unfreezing are communicated to the financial sector and to non-financial enterprises and professions immediately upon taking such actions. Financial institutions and other persons and entities, including designated non-financial enterprises and professions, that may be holding targeted funds or other assets, are required to comply with their duties regarding the actions of de-listing and unfreezing.

**Appeal:**

For persons and entities with the same or similar name as designated persons or entities, who are inadvertently affected by a freezing mechanism (i.e. a false positive), they should resort to related legal and regulatory procedures in order to allow the unfreezing of their funds and other assets in a timely manner upon verification that the person or entity involved is not a designated person or entity.

In such a case, the person or entity involved makes an Appeal at the notifying obliged person who submits to the CTRF (FIU) for rectification intending de-listing after having checked that the person or entity involved is not a designated person or entity.

A person or entity may contest its designation for reexamination by a competent authority or tribunal.

For the designations on the list of sanctions of the 1267 (1989) Committee, persons and entities are informed that the United Nations Office of the Ombudsperson can receive de-listing requests in accordance with resolution 1904 (2009).

The information is transmitted to the CTRF (Financial Intelligence Processing Unit) for any follow-up.

**Requests to Access Frozen Funds or other Assets for basic expenses:**

Persons or other entities designated by the Security Council or one of its competent sanctions Committees, may be authorized to access their frozen funds or assets if considered necessary to meet basic expenses, payment of certain types of fees, expenses and service charges or for extraordinary expenses, and access to those funds and other assets in accordance with the procedures set out in Security Council resolution 1452 (2002) and any successor resolutions.

For the same reasons, access to the funds and other assets is allowed by the judiciary Authority that has decided the freezing measures against persons and entities designated at the national level, in accordance with resolution 1373 (2001) and as required by Security Council resolution 1963 (2010).

**Contesting designation and de-listing:**

Any designated person or entity may contest its designation in order to be reexamined by a competent authority or tribunal.

For designations on the recapitulative list, designated persons and entities may introduce at the United Nations Office of the Ombudsperson requests of de-listing in accordance with resolution 1904 (2009) and in application of provisions of Article 4 of Order of 31 May related to the procedure of freezing and/or seizure of funds of persons, groups and entities reported on the recapitulative list of the United Nations Security Council Sanctions Committee.

The CTRF (Financial Intelligence Processing Unit-) communicate, without delay, through publication on its institutional website, de-listing and unfreezing decisions to the obliged persons and issues instructions to financial institutions and persons and entities, including non-financial enterprises and professions, that may be holding targeted funds and assets, regarding their duties to implement actions of de-listing and unfreezing.

**Sanctions:**

In addition to provisions provided for in the Penal Code, the non-compliance with the provisions of the Law n°05-01 of 05 February 2005, as amended and supplemented, mentioned above and texts taken for its application, particularly in matter of freezing funds of persons, groups and entities listed by the United Nations Security Council Sanctions Committee, exposes Financial institutions, non-financial enterprises and professions to sanctions stated in:

- Article 114 of Ordinance n°03-11 of 26 August 2003, as amended and supplemented, related to currency and credit;
- Articles 3 bis and 3 bis 1 of the Law n°15-06 of 15 February 2015, as amended and supplemented, mentioned above;
- Article 8 of Executive Decree n° 15-113 of 12 may 2015;

**Final Provisions:**

The hereby guidelines are addressed to all obliged persons and will be published on the institutional website of The CTRF (Financial Intelligence Processing Unit).

