



The Process of Money Laundering



The Financial Awareness Program.



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- **A Brief History About the Phenomena of the Money Laundering:**

At the Thirties of the twentieth Century, the Mafia Groups appeared whereas huge amounts of Funds were available due to their illegal projects and Activities.

And these groups had a strong need to hide such funds to be used later.

Then after and in 1932 specially, the Process of Money Laundering appeared clearly and regularly by a person that was called “**Meyer Lansky**” who was the connection cycle so to say, between the American Mafia and the Italian One at the period of the Second World War.

At that time; the Funds were transferred from the United States of America and deposited at the Banks of Switzerland.

And then after re- transferred once again into the United States in the form of false Loans that lead after that into the appearance of Las Vegas; the American Gambling well known City, and the Term “ **Money – Laundering**” was appeared for the Public clearly.



- **The Definition of the Money Laundering:**

The Legislative Degree No (33) that was issued for the year 2005 in the Syrian Arab Republic, had defined the process of the **Money – Laundering** as the following:

“ Each manner that aims at hiding or changing the identity of the Funds that are related to illegal activities or projects for the purpose to manipulate their real sources, so that they appear superficially as a result of legal activities and projects.”



- The Most Important Sources for the Illegal Funds:

- 1) The Extortion and the Terrorism Crimes that were stated in the Law No (304) and (305) of the Sanctions' Law, and the International and Regional Agreements that the Syrian Arab Republic was a party in.
- 2) The smuggling of the Fire Arms and their parts or to trade in them in an illegal Manner.
- 3) The Illegal Trade with the children or the Human Organs.
- 4) The robbery or theft of the Public or Private Funds by the way of theft, the armed robbery or even the manipulation works.



- The Stages of the Money – Laundering Process:

1. **The Employment:** To employ the Coming Financial Resources from illegal processes or activities at a Financial System whether such has been done in direct or indirect manner.
2. **The Manipulation:** It is the process wherein there is a dissect of the illegal Funds from their resources by the way of using various stages of the Financial Transactions and exchanges that are designed for hiding the audit's effect and un covering the identity of the manipulator.
3. **The Merge:** It is to put the transactions that have been under the Process of Money laundering, within the Economy in a Legal Manner that shows them within the Financial Resources that are related to the Natural Activity.



- What are the Risks of the Money – Laundering Process?

The Money Laundering Process may cause various damages and many Social and Economical Risks that are resulted from transferring the Funds abroad.

And such Funds can be invested in the Development Process to enrich the National Economy. And such in its turn will be reflected on the Country and the Citizens.

However the most important Risks are:

1) To Drain the National Economy:

Due to the Funds' transferring abroad. And such will contribute into depriving the Country from such Funds, and without investing them in the Economical and Developmental Projects that will give abundance in the Income to the Country and the Individuals.



2) To Increase the Deficit in the Payments Balance and to Raise the Foreign Debts:

The retreat in the average of the Local Savings may push the Country toward more Borrowing Process from the International Governments and Institutions.

And such will give more burdens on the National Economy, and much more deficit in the Payments' Balance.

3)The Domestic Depreciation of the National Currency:

The Process of the Money – Laundering may cause to increase the Purchasing and Demand Process of the Foreign Currencies for the purpose of transferring them for deposit in the Banks abroad.

And this will increase the Offering of the Local Currency, and cause its decrease in its value.



- 4) To prepare an appropriate Internal By – Law that includes the necessary to be provided restrictions and measures to combat the Money Laundering.
- 5) The company will supply the Commission with all the made – up decisions, regulations and measures that are in correspondence with the Provisions of these Directives.
And such will contribute into their appliance with the finest care and accuracy.



- What is the Role of the Central Bank in Limiting the Process of the Money Laundering?

The Central Bank is considered the first responsible Entity for combating the Money laundering Process.

And we notice that within the Financial and Banking Reform at the Syrian Arab Republic, and within the exerted efforts to protect the National Economy and the Banking Courp from the Financial Crime; Dr. Bashar Al Assad; the President of the Syrian Arab Republic had issued the Legislative Degree No (59) for the year 2003, that was modified later on according to the Legislative Degree No (33) for the year 2005.

And in this regard; an Autonomous Entity was established at the Central Bank of Syria.

It had a Jurisdiction Entity and enjoyed an Autonomous Legal Entity under the Title “**Anti Money Laundering and Counter Terrorism Financing Commission.**”



- **The Purpose of the Anti-Money Laundering and Counter Terrorism Financing Commission:**

To participate in the building of a National System to combat the Process of Money Laundering and Terrorism Financing where in the Commission plays in the central role and the basic coordinator in an effective manner, and high professionalism.

In addition to its role in building the best high Applicable International Standards at the International Financial Verification Units.



- **The Most Important Tasks of the Anti-Money Laundering and Counter Terrorism Financing Commission:**

Its basic activities are centralized on receiving the appropriate notifications about all the received manipulated transactions from the various Entities such as the Banks and the Law's Execution's Entities.

In addition to conduct the necessary verifications and the appropriate Financial Analysis in this regard.

And these notifications will be directed into the Specialized Judiciary Entities in case there are doubts concerning any crime of the Money Laundering.

Noticeably; the Commission will practice a Supervisory Role to ensure that the Banks, the Financial Institutions, any other Institutions and the

Responsible for Notification Non- Financial Entities are abiding by the laws, regulations, and all the related Directives to combat the process of the Money Laundering and Counter Terrorism Financing.



- The Anti-Money Laundering and Counter Terrorism Financing Commission will include an Administrative Committee that represents an Organizational, Administrative and Operational Reference. And it will consist of each one of the following:



- **The Governor of the Central Bank of Syria**, and the First Vice of the Governor of the Central Bank of Syria will be his/ her replacement in case of his / her Vacancy. **A Chairman.**
- **A Deputy Minister of Finance.** **A Member.**
- **A Solicitor** who is appointed by the Higher Jurisdiction Council. **A Member.**

- **A Supervisory Director** on the Bank's Governmental Commission.
A Member.
- **A Representative on behalf of the Ministry of Foreign Affairs**
from at least a Director's Level. **A Member.**
- **A Representative on behalf of the Ministry of Interior Affairs**
from at least a Director's Level. **A Member.**
- **An Expert** in the Legal, Financial and Banking Affairs.
A Member.





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