

5th Enhanced Follow-Up Report for the Hashemite Kingdom of Jordan

Technical Compliance Re- Rating Request

Anti-Money Laundering and
Combating the Financing of Terrorism

May 2025

**the Hashemite Kingdom of
Jordan**

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This document contains the 5th Enhanced FUR for the Hashemite Kingdom of Jordan, which includes a TC re-rating request for four recommendations (8,25,28,34). This report reflects Jordan's efforts since adopting the MER in November 2019 and the 4th Enhanced FUR. The report was adopted through a written process before 40th MENAFATF plenary.

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5th Enhanced Follow-Up Report for the Kingdom of Jordan (With a Technical Compliance Re-rating Request for Some Recommendations)

First: Introduction:

1. The Hashemite Kingdom of Jordan was rated in the second round by the MENAFATF based on the 2012 FATF's 40 Recommendations and 11 Immediate Outcomes, and in accordance with the methodology adopted in 2013. The Report was adopted at the 30th MENAFATF Plenary Meeting, held in Cairo, Egypt, in November 2019. Based on the assessment ratings and in accordance with the procedures of the Mutual Evaluation Process, the Plenary Meeting decided to place the Hashemite Kingdom of Jordan under Enhanced Follow-Up Process.
2. The Kingdom submitted the first Enhanced Follow-Up Report ("EFUR") at the 33rd Plenary Meeting in May 2021, which did not include a request to re-rate Technical Compliance. The Kingdom also submitted the second EFUR at the 35th Plenary Meeting in May 2022, which included a request to re-rate Technical Compliance for (14) recommendations (40, 38, 37, 35, 33, 32, 26, 24, 21, 20, 7, 6, 4 and 1) and the two recommendations (2 and 15), which were amended by the FATF after the onsite visit, which concluded with upgrading the Technical Compliance for all recommendations to (Compliant/Largely Compliant) except for recommendation (15), whose compliance rating was downgraded to (Partially Compliant). The Kingdom also submitted the third EFUR at the 36th Plenary Meeting in May 2023, which did not include a request to re-rate Technical Compliance. The Kingdom also submitted the fourth EFUR at the 38th Plenary Meeting in May 2024, which did not include a request to re-rate Technical Compliance.
3. This Report analyzes the efforts of the Hashemite Kingdom of Jordan to address the shortcomings identified in the Mutual Evaluation Report with the recommendations for which the Kingdom requested a re-rating for, namely recommendations (8, 25, 28 and 34).

Second: Results of the Mutual Evaluation Report and the Second EFUR:

4. According to the Mutual Evaluation Report and the Second EFUR, the Hashemite Kingdom of Jordan had (8) recommendations rated (Compliant), (24) recommendations rated (Largely Compliant), (4) recommendations rated (Partially Compliant) and (4) recommendations rated (Non-Compliant). As follows:

Table No. (1): Technical Compliance Ratings According to the Mutual Evaluation Report and the First Follow-up Report*

Recommendation 1	Recommendation 2	Recommendation 3	Recommendation 4	Recommendation 5	Recommendation 6	Recommendation 7	Recommendation 8	Recommendation 9	Recommendation 10
Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Non-Compliant	Compliant	Largely Compliant
Recommendation 11	Recommendation 12	Recommendation 13	Recommendation 14	Recommendation 15	Recommendation 16	Recommendation 17	Recommendation 18	Recommendation 19	Recommendation 20
Largely Compliant	Largely Compliant	Compliant	Largely Compliant	PC	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant
Recommendation 21	Recommendation 22	Recommendation 23	Recommendation 24	Recommendation 25	Recommendation 26	Recommendation 27	Recommendation 28	Recommendation 29	Recommendation 30
Largely Compliant	Non-Compliant	Non-Compliant	Largely Compliant	Non-Compliant	Largely Compliant	Largely Compliant	Partially Compliant	Largely Compliant	Compliant

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Recommendation 31	Recommendation 32	Recommendation 33	Recommendation 34	Recommendation 35	Recommendation 36	Recommendation 37	Recommendation 38	Recommendation 39	Recommendation 40
Compliant	Compliant	Largely Compliant	Partially Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Partially Compliant	Largely Compliant

*Remark: There are four potential ratings for technical compliance (Compliant, Largely Compliant, Partially Compliant and Non-Compliant)

Reference: <https://menafatf.org/ar/information-center/menafatf-publications/>

5. In coordination with the Secretariat, Ms. Zainab Ali Al-Lawati, an expert at the Central Bank of the Sultanate of Oman, and Mr. Osama Aribi, an expert at the FIU of the State of Libya, analyzed the recommendations related to the Technical Compliance re-rating request. This was supported by the MENAFATF Secretariat, represented by Mr. Islam Samir, Senior Officer at the Mutual Evaluation Working Group, and Mr. Shakib Al-Adeeb, Mutual Evaluation Expert at MENAFATF.

Third: Overview of progress made in implementing the recommendations subject to the re-rating request:

6. This section reviews the efforts made by the Hashemite Kingdom of Jordan to comply with the requirements of the recommendations for which it requested re-rating. The Kingdom has addressed some of the technical compliance shortcomings identified in the Mutual Evaluation Report regarding the four recommendations. The following is an analysis of the Kingdom's efforts for each recommendation, according to the attached analysis:

– **Recommendation 8 (Non-Profit Organizations) (Non-Compliant):**

- A. According to the Mutual Evaluation Report, the Kingdom was rated (Non-Compliant) on Recommendation 8 due to the following shortcomings:

The Kingdom did not identify the subset of organizations included in the FATF definition of non-profit organizations, using all relevant information sources to identify the characteristics and types of NPOs that are likely, by virtue of their activities or characteristics, to be at risk of being exploited for terrorist financing. It also did not identify the nature of the threats posed by terrorist entities to NPOs, nor did it review the adequacy of the measures imposed on these NPOs. Furthermore, there is no legal basis for periodic reassessment of these NPOs, and there is no effective and ongoing communication with the NPOs sector. The competent Jordanian authorities did not monitor the compliance of these organizations or conduct oversight and supervision thereon. Furthermore, there is no mechanism for cooperation between these NPOs and the competent authorities to collect information and investigation. also points of contact or appropriate procedures for responding to international information requests regarding those NPOs suspected of being linked to terrorist financing was not established.

- B. To address the shortcomings identified in the Mutual Evaluation Report, the Jordanian authorities completed a terrorist financing risk assessment for the NPOs sector in 2022. The assessment was conducted by a local team formed in partnership with all relevant sectors, including the NPOs sector itself. The subset included in the FATF's definition of NPOs was identified, as well as identifying the characteristics and types of organizations most at risk of being exploited for terrorist financing. The nature of the threats posed by terrorist entities to NPOs was also identified, as well as reviewing laws and regulations related to the sector. The sector was also periodically re-evaluated by identifying potential vulnerabilities that could be exploited by terrorist entities. In addition to amending a number of articles of Companies Law No. 22 of 1997, which entered into force on 11 November 2023. The Social Development Law and the Cybercrime Law were also issued, in addition to issuing several

guides, including the Offsite and Onsite Supervision Guide for NPOs. A guide to governance in NPOs, and a guide on How to protect your organization from terrorist financing risks, in addition to preparing inspections plan to NPOs most vulnerable to exploitation for TF purposes. A communication and information exchange committee for NPOs was also formed pursuant to National Committee Decision No. 8 of 2022, with the participation of all relevant parties, to enhance the exchange of information and effective coordination among all committee members and provide all available information to support the Risk-Based Supervision process for NPOs, in addition to reviewing and evaluating related procedures, instructions, and legislation.

- **Conclusion:** Despite efforts to address these shortcomings, some shortcomings remain as follows:

- A. The penalties imposed on NPOs under the Associations Law No. 51 of 2008 for violating the legal requirements remain inadequate in terms of dissuasiveness. The second EFUR for the Kingdom of Jordan that this shortcoming remains, affirming that the current penalties still do not meet the effective dissuasion. With regards to Social Development Law, and although it contains provisions criminalizing unlicensed charitable works – imposing sanctions in this regard- those provisions still do not address the violations linked to AML/CFT obligations imposed on officially registered NPOs.
- B. the Hashemite Kingdom of Jordan has not established appropriate procedures for responding to international information requests regarding NPOs suspected of financing terrorism.
 - Taking into account the general context and overall risks, whereby the risks associated with NPOs in Jordan are rated (Low to Medium), in addition to the fact that most NPOs are local ones and do not practice activities abroad; the remaining shortcomings have become Minor, the compliance rating is **(Largely Compliant/LC)**.

– **Recommendation 25 (Transparency and Beneficial Ownership of Legal Arrangements) (Non-Compliant/NC)**

- A. According to the Mutual Evaluation Report, the Kingdom was rated (Non-Compliant) on Recommendation 25 due to a number of shortcomings, the most important of which was the failure to require trustees of endowments to retain information related to them. Trustees and service providers for endowments/Waqf do not have measures in place to obtain and retain information about other regulated agents. There are no measures to ensure that trustees disclose their status to financial institutions and DNFBPs. There is also no binding means to grant Jordanian Law Enforcement Authorities timely access to information held by trustees and other parties regarding the Beneficial Owners and control of Waqf. Measures to provide rapid international cooperation with endowment information are absent. There is also no legislation that holds trustees legally accountable for failure to implement their obligations, nor are proportionate and dissuasive penalties (criminal, civil, or administrative) imposed for non-compliance.
- B. To address the shortcomings identified in the Mutual Evaluation Report, the Jordanian authorities:
 - Issued the (Waqf Transparency) Instructions by the Minister of Awqaf. These instructions included defining the Beneficial Owner and clarifying the responsibilities of all parties involved in arranging the Waqf. They also required the private trustee to submit information on the Beneficial Owner and any changes thereto to the Ministry of Awqaf within 30 days of the change (Article 9). They also required record-keeping obligations (Article 10), submitting audited financial statements to the Ministry annually (Article 9/d), establishing procedures for issuing Waqf certificates and their contents (Articles 3-6), and

defining the Ministry's responsibilities regarding supervision and oversight of private and public Waqfs. Additionally, Article 12 mandates trustees to disclose their status to financial institutions and DNFBPs. Article (13) also allows the Ministry to impose penalties on the private trustee in the event of their failure to comply with or neglect of their obligations in accordance with applicable legislation.

- The issuance of the AML/CFT Law (Law No. 20 of 2021), which includes several provisions that contribute to compliance with the requirements of this recommendation. The most important of these provisions relate to the obligations of Reporting Entities to undertake Simplified or Enhanced Due Diligence measures commensurate with risk assessment and verification. This is in addition to making records, including due diligence records, available to the relevant authorities, and imposing penalties on those entities in the event of failure to comply with the aforementioned requirements.
 - The Ministry of Awqaf issued the tasks of the Endowment Properties Directorate, which included several tasks, most notably maintaining and reviewing financial reports and records obtained from private Waqfs, entering and updating information related to the Beneficial Owner of Waqf, following up on inspection procedures for private Waqfs and reviewing their management, as well as cooperating with government agencies when requesting any information related to individuals or Waqf assets expeditiously and in a timely manner.
 - Conclusion: Despite all the efforts made and the measures and amendments that have been implemented, some shortcomings remain, including the lack of a clear and explicit legal text on providing rapid international cooperation regarding the provision of information on Beneficial Owners and information related to Trust Funds and Legal Arrangements (Waqf). In addition, the AML/CFT Law (No. 20 of 2021) does not explicitly include a mechanism to facilitate foreign authorities' access to recorded basic information or held by other local authorities. It also does not include an explicit provision allowing competent authorities to use their investigative powers to obtain information related to beneficial owners on behalf of their foreign counterparts.
 - Since the remaining shortcomings are Minor, the compliance rating is **(Largely Compliant/LC)**.
- **Recommendation 28 (Regulation and Supervision of DNFBPs) (Partially Compliant/PC):**
- A. According to the Mutual Evaluation Report, the Kingdom was rated (Partially Compliant) on Recommendation 28. This is because legislative initiatives have acknowledged, albeit loosely, the regulatory, supervisory, and disciplinary powers assigned to the Department of Lands and Survey and the Ministry of Interior in AML/CFT matters. However, they have not ensured a sound legal basis for the powers of the Bar Association Council in this area. This results in the total restriction of its precautionary intervention through preventive measures, of which reprimand is only the final solution. It is also unclear whether Certified Public Accountants are subject to the oversight of a specific authority. In the same context most initiatives by oversight and supervisory authorities of DNFBPs, as well as self-regulatory bodies, remain ineffective due to the lack of a clear vision regarding their components and objectives.
 - B. To address the shortcomings mentioned in the Mutual Evaluation Report, the Jordanian authorities took several measures to address the aforementioned shortcomings, the most important of which is identifying the supervisory and oversight authorities for the DNFBPs in Article (14, (b)) of the AML/CFT Law issued in 2021 and issuing instructions and decisions

related thereto as follows: Real Estate Sector: Department of Lands and Survey; DPMS Sector: Ministry of Interior; Lawyers and Certified Public Accountants Sector: Jordanian Bar Association and Jordanian Association of Certified Public Accountants, obligating them, pursuant to Article 21 (a, b) of the AML/CFT Law, to supervise and monitor the compliance of DNFBPs with the requirements of the law. Many of the obligations of the oversight and supervisory authorities of DNFBPs have also been included, as follows:

- According to Article (34) of the same law, supervisory authorities were granted the power to impose penalties according to the degree of seriousness of the violation when violations were detected by the reporting parties, which also included Instructions No. (1) of 2021 regarding the implementation of Security Council resolutions related to terrorism, its financing, and the financing of the proliferation of weapons of mass destruction.
- Article 21 (a) of the AML/CFT Law indicates that oversight and supervisory authorities supervise risk bases when assessing compliance with anti-money laundering and counter-terrorism financing requirements. Clause (b) also adequately clarifies the role of supervisory and oversight bodies related to offsite and onsite inspections. Accordingly, the oversight bodies issued instructions for supervisory operations. Paragraph (3) of Article (15) of Instruction No. (1) of 2021 (Real Estate Offices Regulation Instructions of 2021) and Paragraph (c) of Article (9) of the Instructions for Licensing Jewellery making shops and Jewellery, Precious Metals, and Gemstone's sales stores of 2024 stipulate supervisory procedures based on risk bases and standards for the real estate office sector and the precious metals and stones sector.
- All supervisory authorities have adopted the on-site and off-site supervision guide based on a risk-based approach, which takes into account the distinctive characteristics of DNFBPs in terms of business size, number of branches, geographic areas, customer and product types, delivery channels, and other elements. Supervisory and oversight bodies conduct on-site supervision based on the risk level, based on the results of the sectoral risk assessment. Based on this, the frequency and intensity of on-site supervision are determined, in terms of the nature, scope, and intervals of on-site visits, with priority given to high risks.
- Conclusion: The Kingdom has addressed most of the shortcomings identified in the Mutual Evaluation Report, with the exception of the lack of clarity on the measures taken in the lawyers and certified public accountants sectors to prevent criminals or their associates from acquiring (or being the Beneficial Owners of) controlling or significant shares due to the absence of effective verification procedures for indirect control (Beneficial Owners) in its different forms, with the absence of explicit text in that regard.
- Since the remaining shortcomings are Minor, the compliance rating is (**Largely Compliant/LC**).

– **Recommendation 34 (Guidance and Feedback) (Partially Compliant)**

- A. According to the Mutual Evaluation Report, the Kingdom was rated (Partially Compliant) on Recommendation 34 due to the following shortcomings:

With the exception of the measures taken by the FIU to enhance capacity and raise financial awareness to ensure awareness of the latest criminal patterns, the measures taken by oversight and supervisory authorities in the financial and banking sector

remain limited in scope, update, and adequacy. Furthermore, there are no measures taken by oversight and supervisory authorities of DNFBPs and self-regulatory bodies.

B. To address the shortcomings identified in the Mutual Evaluation Report, the Jordanian authorities took many measures, as follows:

- Enhance coordination and communication between the FIU and supervisory authorities to hold intensive courses and workshops for the DNFBPs sector. These workshops covered reporting suspicious transactions at the level of DNFBPs, the most prominent indicators related to each sector, and how to improve the quality of suspicious transaction reports. The FIU also issued strategic studies and reports on the risks associated with the Kingdom, based on the national risk assessment. The FIU's operational procedures manual clarifies the feedback mechanism followed by the FIU for reporting entities, oversight authorities, and law enforcement authorities, issued pursuant to a decision by the FIU Head (Item 2 of Phase Five: Referral of Notifications and Reports Phase). The guidance manual for oversight and supervisory authorities also clarifies the feedback mechanism for their respective sectors.
- The Central Bank of Jordan issued a guide for banks on financial fraud indicators, as they are among the most prominent risks in the Kingdom, and a guide for assessing money laundering and terrorist financing risks according to a risk-based approach.
- Regarding DNFBPs, its supervisory controls include the need for guidelines on anti-money laundering and counter-terrorism financing obligations. It has also issued guidelines on preventive measures. The Department of Lands and Survey has also provided a guide on the most prominent suspicious indicators associated with money laundering and terrorist financing in the real estate sector and a guide on reporting requirements for real estate offices. The FIU has also issued a reporting form for lawyers and certified public accountants and a reporting guide on suspicious transactions for DNFBPs for all entities.
- The National Committee for Anti-Money Laundering and Combating-Terrorism Financing has also issued guidelines for all reporting entities on due diligence procedures and a guide on beneficial ownership. The Targeted Financial Sanctions Committee has also issued guidelines on the mechanism for implementing United Nations Security Council resolutions on terrorism and terrorist financing and targeted financial sanctions related to the proliferation of weapons of mass destruction for all reporting entities.
- Conclusion: The Kingdom has addressed the shortcomings identified in the Mutual Evaluation Report.
- Whereas there are no remaining shortcomings, the compliance rating is **(Compliant)**

Fourth: Summary

1. After analysing the information and documents submitted by the Jordanian authorities attached to their request for re-rating of (4) recommendations rated (PC) and (NC) in the Mutual Evaluation Report, the reviewing experts concluded the following:
 - Recommendations 8 and 25 rating upgrade from (NC) to (LC)
 - Recommendation 28 rating upgrade from (PC) to (LC)
 - Recommendation 34 rating upgrade from (PC) to (C)

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2. The compliance ratings after the re-rating can be summarized in the following table:

Table No. (2): Technical Compliance Re-Ratings

Recommendation 1	Recommendation 2	Recommendation 3	Recommendation 4	Recommendation 5	Recommendation 6	Recommendation 7	Recommendation 8	Recommendation 9	Recommendation 10
Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant
Recommendation 11	Recommendation 12	Recommendation 13	Recommendation 14	Recommendation 15	Recommendation 16	Recommendation 17	Recommendation 18	Recommendation 19	Recommendation 20
Largely Compliant	Largely Compliant	Compliant	Largely Compliant	Partially Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant
Recommendation 21	Recommendation 22	Recommendation 23	Recommendation 24	Recommendation 25	Recommendation 26	Recommendation 27	Recommendation 28	Recommendation 29	Recommendation 30
Largely Compliant	None Compliant	None Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Compliant
Recommendation 31	Recommendation 32	Recommendation 33	Recommendation 34	Recommendation 35	Recommendation 36	Recommendation 37	Recommendation 38	Recommendation 39	Recommendation 40
Compliant	Compliant	Largely Compliant	Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Largely Compliant	Partially Compliant	Largely Compliant

*There are four potential ratings for technical compliance (Compliant, Largely Compliant, Partially Compliant and Non-Compliant)

3. Based on the above, the Hashemite Kingdom of Jordan was rated Compliant in (9) recommendations, (largely Compliant) in (27) (Partially Compliant) in (2) and (non-Compliant) in (2) recommendations. As a result of the analysis of the re-rating request in the second and fifth EFURs, and accordingly, and as per the procedures in force at the MENAFATF, the fifth EFUR is considered the last follow-up report within the current round of the Mutual Evaluation and Follow-up Processes. This is due to the fact that the Hashemite Kingdom of Jordan will undergo the Mutual Evaluation process during the next round, starting in November 2027 (the date for submitting the Technical Compliance Annex). Consequently, the follow-up process will end in January 2026, i.e., 22 months before the start of the Mutual Evaluation process in the next round.