

**Guidelines to the implementation of Targeted Financial Sanctions in compliance with the relevant UNSCRs on the Prevention and Suppression of Terrorism and its Financing and the Prevention, Suppression and Disruption of the Proliferation of Weapons of Mass Destruction and its financing pursuant to the National Counter-Terrorism Committee Decision No. 01/2022**

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## Abbreviations

<b>AML/CFT</b>	Anti-Money Laundering/Countering Financing of Terrorism
<b>AML/CFT Law</b>	Law on Anti-Money Laundering and Countering Financing of Terrorism (Royal Decree No. 30/2016)
<b>DNFBP</b>	Designated Non-Financial Businesses and Professions
<b>DPRK</b>	Democratic People's Republic of Korea
<b>FI</b>	Financial Institution
<b>NCTC</b>	National Counter-Terrorism Committee
<b>NPO</b>	Non-Profit Organization
<b>OMR</b>	Omani Rial
<b>TFS</b>	Targeted Financial Sanctions
<b>TFS Committee</b>	Targeted Financial Sanctions Committee
<b>TFS Regulation</b>	Decision No. (01/2022) On Issuing Procedures for the Implementation of Security Council Resolutions Issued Under Chapter VII of the United Nations Charter on the Prevention and Suppression of Terrorism and its Financing and the Prevention and Suppression of WMD Proliferation and its financing.
<b>UNSC</b>	United Nations Security Council
<b>UNSCR</b>	United Nations Security Council Resolution

## Key Terms

### *Targeted Financial Sanctions (TFS)*

The term 'targeted financial sanctions' refers to sanctions that are intended to have a limited, strategic focus on certain individuals, entities, groups, or undertakings.

The term 'targeted financial sanctions' means both asset freezing and preventing funds or other assets from being made available, directly or indirectly, for the benefit of individuals, entities, groups, or undertakings who are sanctioned.

There are two main types of financial sanctions:

- a. Asset Freezing: Freezing is the temporary prohibition of any transfer, conversion, disposition, alteration, use, dealing with or movement of funds or economic resources that would result in a change in their volume, amount, location, ownership, possession, nature or destination or that would in any way enable the use of such funds or economic resources for any purpose.
- b. Prohibit making funds available: Prohibiting to make funds or economic resources available or provide financial or other related services, directly or indirectly, wholly or jointly, to or for the benefit of the designated (listed) person, group or entity.

### *Funds*

Any type of assets or property regardless of its value, nature, or the way it is acquired, whether electronic or digital, whether inside or outside the Sultanate of Oman, including any profits or interests on such property that is due or has been fully or partially distributed. This includes local and foreign currency, financial and commercial instruments, immovable or movable, tangible or intangible, and corporeal or incorporeal assets and all the rights or interests vested therein, deeds and documents evidencing all the above, including bank credits, deposits, postal drafts, bank drafts, and letters of credit or anything that the National Committee for Combating Money Laundering and Terrorism Financing considers as funds for the purposes of the AML/CFT Law No. (30/2016).

Examples of funds are the following:

- a. All types of financial commitments such as: debts, and debt obligations, bank credits, deposits, postal drafts, bank drafts, and letters of credit, cheques, claims on money, drafts, money orders, bearer instruments.
- b. Cash in all currencies, including virtual and electronic currency and other internet-based payment instruments.
- c. Deposits with financial institutions or other entities and balances on accounts, including but not limited to: (1) fixed or term deposit accounts, (2) balances on share trading accounts with banks, brokerage firms or other investment trading accounts.
- d. Debts and debt obligations, including trade debts, other accounts receivable, notes receivable, and other claims of money on others.
- e. Letters of credit, bills of lading, bills of sale; notes receivable and other documents evidencing an interest in funds or financial resources and any other instruments of export-financing.
- f. Equity and other financial interest in a sole trader or partnership.

- g. Insurance and reinsurance.
- h. Shares in the business of an individual trader or a partnership: Publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures, and derivatives contracts.
- i. Interest, dividends, or other income on or value accruing from or generated by assets.
- j. Real Estate.

#### *Economic Resources*

Assets of any kind, whether tangible or intangible, movable or immovable, actual or potential, which may be used to obtain funds, goods or services, including but not limited to:

- a. Equipment, furniture, fittings and fixtures.
- b. Any material of a fixed nature such as vessels, aircraft and motor vehicles.
- c. Inventories of goods.
- d. Arts, jewelry and gold.
- e. Goods including oil, refined products, modular refineries and related material including chemicals, lubricants, minerals or timber or other natural resources and commodities.
- f. Arms and related materials, raw materials and components that can be used to manufacture improvised explosive devices and unconventional weapons.
- g. Patents, trademarks, copyrights and other forms of intellectual property.
- h. Internet hosting and related services.

#### *Lists:*

Includes the local list where names are designated based on a decision of the TFS Committee, and UN Lists as issued by the UN Security Council or a relevant Sanctions Committee based on a relevant UN Security Council Resolution.

#### *Omani Territory*

Omani territory includes territories under Omani sovereignty, its regional waters and airspace, in addition to vessels and airplanes owned by Oman, carrying the Omani flag or managed by Oman for any purpose wherever they may be (Article 15 of the Omani Penal Code No. 7/2018).

#### *Financial Institutions*

Any natural or legal person that engages, as a business, in one or more of the following activities for or on behalf of a customer:

- a. Receiving deposits and other funds payable from the public, including special banking services, lending, financial transactions including trading in securities, financing, lease financing, services for transferring funds or value, buying, selling and exchanging currencies, issuing and managing payment instruments, guarantees, or obligations.
- b. Trading, investing, operating, or managing funds, financial options or futures, exchange rate and interest rate operations, other financial derivatives, or negotiable instruments.
- c. Participating in the issuing of securities and providing financial services related to such issues.
- d. Managing funds and portfolios of various types.
- e. Safeguarding funds.
- f. Insurance activities, including insurance companies, brokers, and agents.

- g. Any other activity or transaction specified by a resolution of the National AML/CFT Committee.

#### *Designated Non-Financial Businesses and Professions*

Any of the following businesses fall under the definition of Designated Non-Financial Businesses and Professions:

- a. Real estate brokers and agents.
- b. Traders in precious metals and stones, when carrying out cash transactions equal to or greater than the threshold decided by the supervisory authority, whether the transaction occurs in a single phase or multiple linked phases.
- c. Attorneys, notaries' public, accountants/auditors/reviewers, when they prepare or carry out transactions for or on behalf of their customers related to the purchase or sale of real estate, managing funds, managing bank accounts, savings accounts, or securities accounts, organizing participation in establishing, operating, or managing companies, establishing, operating, or managing legal persons or legal arrangements and buying or selling commercial entities.
- d. Providers of services to companies and trust funds when they prepare or carry out transactions for or on behalf of their customers related to acting as a formation agent to establish legal entities, acting as director or secretary of a company, partner in a partnership, or another similar position in other legal entities, or making arrangements for another person to act as such, providing a registered office, business address, headquarters, address for correspondence, or administrative address for a legal person or legal arrangement, acting or arranging for another person to act as a trustee for a trust fund or carrying out such duties for a legal arrangement, acting or arranging for another person to act as a nominative shareholder on behalf of another person or any other activity specified by a decision of the National AML/CFT Committee.

#### *Non-Profit Organization*

The term Non-Profit Organization (NPO) in the Regulation applies to any organized group established in accordance with the provisions of Law on Non-Governmental Associations, for the purposes of raising or spending funds for charitable, religious, cultural, social, educational, cooperative, or any other purpose, including foreign branches of international non-profit associations and entities.

#### *Supervisory Authority*

The term supervisory authority shall apply to the Ministry of Justice and Legal Affairs, the Ministry of Commerce, Industry and Investment Promotion, the Ministry of Housing and Urban Planning, the Ministry of Social Development, the Central Bank of Oman, the Capital Market Authority, and any other authority identified by a Decision of the National AML/CFT Committee.

## Introduction

### Overview on Targeted Financial Sanctions

Under Article (41) of Chapter 7 of the UN Charter, and in order to maintain or restore international peace and security, the United Nations Security Council (UNSC) holds the capacity to take action by imposing sanctions measures encompassing a broad range of enforcement options that do not involve the use of armed force, and to require members of the UN to implement such. The Security Council's sanctions regimes focus mainly on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. These regimes include measures ranging from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC, through its United Nations Security Council Resolutions (UNSCRs) and Sanctions Committees, mandates the implementation of freezing measures related to, among others:

**A. Terrorism and terrorist financing pursuant to:**

- 1- UNSCR 1267 (1999), 1989 (2011) and their subsequent relevant resolutions.
- 2- UNSCR 1988 (2011) and their subsequent relevant resolutions.
- 3- UNSCR 1373 (2001).

**B. The financing of proliferation of weapons of mass destruction pursuant to:**

- 1- UNSCR 1718 (2006) and its successor resolutions.
- 2- UNSCR 2231 (2015).

### Legal Framework

The Sultanate of Oman, as a member of the United Nations, is committed to implementing the above-mentioned UNSCRs related to sanctions, by establishing the regulatory procedures to implement freezing measures in accordance with the United Nations Security Council Resolutions in line with the following:

1. Law on Anti-Money Laundering and Terrorism Financing issued by Royal Decree No. (30/2016).
2. Decision No. (01/2022) of the National Counter-Terrorism Committee, Issuing Procedures for the Implementation of Security Council Resolutions Issued Under Chapter VII of the United Nations Charter on the Prevention and Suppression of Terrorism and its Financing and the Prevention and Suppression of WMD Proliferation and its financing.

### The Purpose of Targeted Financial Sanctions

The United Nations, through its Security Council Resolutions and Sanctions Committees, aims to maintain peace and security, by mandating member states to implement freezing measures related to terrorism and terrorism financing, and proliferation of weapons of mass destruction and its financing.



The Purpose of the Targeted Financial Sanctions is to adopt resolutions aimed at denying terrorists' and terrorist organizations' from using their financial assets and sanctioning persons or entities engaged in or providing support for proliferation-sensitive activities and programs under UNSCRs 1718 (2006) and 2231 (2015) and successor resolutions. The purpose of TFS is also to curtail the movement of payments and capital related to terrorism and proliferation of WMD.

The full list of UNSCRs covered by the TFS Regulation are: UNSCR 1267, 1373, 1452, 2178, 2253, 2255, 1540, 1718, 1874, 2087, 2094, 2231, 2270, 2321, 2356, 2462, 1988, and all their subsequent relevant resolutions and procedures.

### Targets of Targeted Financial Sanctions

All persons – natural and legal, including individuals, groups, and entities – designated by the UN Security Council, a relevant Security Council Sanctions Committee or by the TFS Committee.

The lists of designated persons, groups and entities can be accessed under the following websites:

1. The UN website which has a consolidated list of designated persons, groups and entities: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>
2. The UN website's press release page which documents changes to different sanctions regimes and lists new designations: <https://www.un.org/press/ens>
3. The NCTC's website which has a list of persons, groups and entities designated by the TFS Committee: <https://nctc.gov.om/TargetedFinancialSanctions/LegalFramework>

## Obligations to Implement Key Targeted Financial Sanctions

### 1. General Obligations

All persons, natural or legal, in Oman, including Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) have the following 3 obligations:

#### **General Obligation No. 1 – Freezing Funds and Economic Resources**

**Immediate freezing, without delay, within (24) hours, and without prior notice, of all the following funds and economic resources:**

- A. Belonging to, wholly or jointly owned, held, or controlled, directly or indirectly by the designated (listed) person, group, or entity; and/or
- B. Derived or generated from the funds or economic resources mentioned above.

The obligation to freeze also extends to funds or other assets of persons and entities acting on behalf of, or at the direction of, designated persons or entities and persons under their management or control, directly or indirectly.

It is prohibited for any person within Omani territory and any Omani national abroad to provide or to make funds or economic resources available to, or provide financial or other related services, directly or indirectly, to or for the benefit of a person whose funds are frozen, whether directly or indirectly, wholly or jointly.

*Only with respect to freezing measures pursuant to UNSCR 1737 and continued by UNSCR 2231, or freezing measures taken pursuant to UNSCR 2231, the freezing measure applied shall not prevent a designated person or entity from making any payments due under a contract that was entered into before the date of the listing, provided that:*

- A. The TFS Committee verified that the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokerage or services referred to in UNSCR (2231) and any successor resolutions, and*
- B. The TFS Committee has determined that the payments are not directly or indirectly received by a person subject to the measures set out in paragraph 6 of Annex B to UNSCR (2231); and*
- C. The NCTC has notified the United Nations Security Council of the intention of the TFS Committee to make or receive such payments or to authorize, where appropriate, the unfreezing of funds or economic resources for this purpose, 10 working days prior to the date decided for such measure.*

#### **General Obligation No. 2 – Prohibit Making Funds and/or Economic Resources Available**

No person shall make funds or economic resources available or provide financial or other related services, directly or indirectly, wholly or jointly, to or for the benefit of the designated (listed) person, group or entity.

The same applies to persons and entities acting on behalf of, or at the direction of, designated persons or entities, unless authorized or otherwise notified in accordance with the relevant UNSCRs.

### **General Obligation No. 3 – Notifying the NCTC**

All persons, natural and legal, must notify the NCTC **within 24 hours** from taking a freezing measure and shall specify measures taken regarding such funds or economic resources, in line with the obligations of Decision no. (1/2022) of the NCTC, including any attempts to execute a transaction, and details related to the nature and amount of funds or economic resources that were frozen and any other information that would facilitate compliance with said Decision.

## **2. Additional Obligations for FIs, DNFBPs, and NPOs**

In addition to the three obligations listed under the ‘General Obligations’ above, all Financial Institutions, Virtual Asset Service Providers, Non-Financial Businesses and Professions, and Non Profit Associations and Entities have the following obligations:

1. Regular and continuous follow-up for amendments and updates made to the UN/ Local List.
2. Periodically, and in any case immediately following any changes to the lists, screen their databases of customers, real beneficiaries, business relationships and transactions against the lists of persons designated in the UN / Local List.
3. Inform the NCTC as soon as they know or suspect that a former or current customer, or any person with whom they have or had dealings in any way, or any person that attempted to deal with them, is a listed person or that the funds or financial resources are subject to a freezing decision under Article (3) of Decision (1/2022) of the Chairman of the NCTC.
4. Provide the NCTC with all information available to them on the status of funds and economic resources of the persons designated on the List, and any action taken with respect to such, the nature and quantity of frozen funds or economic resources, and any other information that is relevant, or that would facilitate compliance with procedures established in Decision no. (1/2022) of the NCTC.

The NCTC shall verify the accuracy and validity of the information provided in the way it deems appropriate. The NCTC shall send this information to competent authorities to take necessary procedures in that regard.

5. Immediately freeze the following payments or credits made into and, where exceptionally permitted, from a frozen account:
  - A) Those due under contracts, agreements or obligations that have been concluded or that have arisen before the date the account was frozen.
  - B) Interest rates or returns due on the account.
  - C) The NCTC must be notified in either of the above scenarios.
6. Refrain from notifying or informing the person or others of their intention to implement freezing measures.

7. Developing internal controls and procedures and implementing measures and systems to inspect customer databases against the list of those included in the list and to apply them effectively, ensuring that these systems allow detecting customers and real beneficiaries subject to targeted financial sanctions. The above-mentioned programs must include internal policies, procedures, systems and controls that ensure the following:

- a. Presence and application of high efficiency standards of employees recruitment.
- b. Training employees constantly, and informing them of all aspects and requirements of combating terrorist financing, and modern developments and technologies in this regard. This is to ensure detection of transactions and activities related to money laundering and terrorist financing, and is an indication of the procedures that must be followed in those cases.
- c. The presence of an adequate audit system to verify compliance with policies, procedures, systems and internal control processes, and to ensure that these measures are effective and in compliance with the provisions of the law on Countering Money Laundering and the Financing of Terrorism no. (30/2016).
- d. Conducting background check and identify purposes of all complex, large unusual transactions, and patterns of unusual transactions that have no clear legitimate economic purposes.
- e. Examining all transactions and business relationships and taking enhanced due diligence measures proportionate to the degree of risk of individuals from countries that do not adequately implement Countering Money Laundering and the Financing of Terrorism regulations.
- f. Develop policies and procedures to identify, assess and manage money laundering and terrorism financing risks that arise from modern technologies, work practices, and modern means of services provision, or those resulting from the use of new technologies or under development. In all cases, a risk assessment must be conducted before launching new products or professional practices or using new or under development technologies.
- g. Applying measures related to high-risk countries determined by the National Committee for Countering Money Laundering and Terrorism Financing in accordance with Clause (j) of Article (13) of the law on Combating Money Laundering and Terrorist Financing Act No. (30/2016).

### 3. Additional Obligations for Supervisory Authorities

In addition to the Obligations listed above, supervisory authorities have the following obligations:

1. Providing financial institutions, non-financial businesses and professions, non-profit associations and bodies with guidance and instructions related to their requirements and the implementation of the provisions of the National Counter Terrorism Committee No. (1/2022), and notifying them of any listings, in coordination with the National Counter Terrorism Committee.
2. Verify that FIs and DNFBPs have in place and effectively implement internal controls and procedures to ensure full compliance with the obligations arising from Decision (1/2022) of the NCTC.
3. Verify that FIs and DNFBPs have and effectively implement measures and systems to screen client databases against the list of designations, and that the systems allow for the detection of customers and beneficial owners that are subject to TFS.
4. Determine whether and how many cases have been identified by a FI or a DNFBP where a customer or beneficial owner was a designated person or entity.
5. Determine whether any targeted funds or property has been identified and frozen by an FI or a DNFBP and whether relevant reports were filed with the NCTC as required under the TFS Regulation.

6. Determine whether FIs and DNFBPs have policies and procedures in place that prohibit employees and officers from informing the customer, beneficial owner or any third party in advance that a freezing measures is to be applied against them.
7. Report their supervisory findings to the NCTC in writing on an annual basis except in cases where violations are detected in which case the NCTC shall be notified immediately.
8. Cooperate and provide information, whenever requested, to the NCTC and the TFS Committee.

## Duration of Freezing Measures

Freezing measures have no time limit. This means that the funds and/or economic resources must remain frozen until the person, group or entity is delisted from UN /Local List.

## Liability and Sanctions

### 1. Exemption from Liability

Any person is exempt from criminal, civil or administrative liability for any loss or claim resulting from freezing funds or economic resources or refusing to make them available or to provide financial services thereto, where such an act is carried out in good faith and for the purpose of complying with the freezing measures and the prohibition of making funds available to terrorists, financing of terrorism or the proliferation of weapons of mass destruction and its financing, in compliance with the Decision no. (1/2022) of NCTC.

### 2. Enforcement of TFS

Failing to comply with the obligations listed under Chapter 'Obligations to Implement Targeted Financial Sanctions' will lead any natural or legal person, including FIs and DNFBPs, to being subject to the following sanctions:

- A) Violators of the obligation to apply freezing measures or the prohibition of making funds and/or economic resources available shall be punishable in accordance with Article (3) and (4) of the National Counter-Terrorism Committee's decision No. (1/2022) with an administrative fine of no less than OMR 10,000 and no more than the value equivalent to the frozen assets.
- B) Whoever violates any other provisions of the NCTC Decision no. (1/2022) shall be punishable with an administrative fine of no less than OMR 5,000 and no more than OMR 20,000.

### 3. Additional sanctions related to DNFBPs and NPOs

A) Regulatory authorities may impose any measures stipulated in Article (52) of the Law on Combating Money Laundering and Terrorism Financing No. (30/2016) on the DNFBPs and NPOs in case they fail to comply with their obligations in accordance with the clause: "Additional Obligations of Financial Institutions, Designated Non-Financial Businesses and Professions and Non-Profit Associations and Entities".

B) Regulatory authorities may also refer any violations committed by any financial institution or non-financial businesses pertaining to the responsibilities stipulated in the decision of the National Counter-Terrorism Committee No. (1/2022) to the internal enforcement and licensing departments of the said regulatory authorities for examination and imposing regulatory penalties. In case any controls and sanctions were imposed, the NCTC must be notified to that effect.

## The Local List

### Designation in the Local List

1. The Targeted Financial Sanctions (TFS) Committee may, of their own accord or upon a request from a foreign party – through the NCTC, list any person in case there was a suspicion or belief, based on reasonable grounds, that the said person fulfils the criteria of including in the local list without the need to conduct any investigation or legal procedures of the said person, and without any delay or prior notice to the person needed to be listed.
2. TFS Committee may collect information and request information from any relevant authority to identify whether a person should be listed or not.

### Criteria for Local Listing

1. Presence of sufficient reasons to believe that the person committed, attempts to commit, participate or facilitate a terrorist act or any person who acts on the said person behalf or direction.
2. Any entity against which there are sufficient reasons to believe that it is owned or controlled, directly or indirectly, by a listed person as per the above paragraph.

### International cooperation when including in the local list

#### **A) Submitting a request to foreign party to take freeze action or include an individual in their list:**

1. In accordance with NCTC's decision No. (1/2022), the NCTC can request from any foreign party to take action with regard to freezing assets or economic resources or include a person in the foreign party's list without delay or prior notice to the person needed to be listed, and without the need for investigation or legal procedures in the Sultanate of Oman or the foreign party.
2. NCTC supports the request by the reasonable reasons for suspicion or belief that the person needed to be listed fulfils UNSC criteria No. (1373) as well as providing as much information as possible about the person's identity and information supporting the request including: name, any information necessary to identify the person's identity in a certain and accurate way, information that supports that the person fulfils the criteria of listing in the local list as per Article (14) of the NCTC's decision No. (1/2022).

#### **B) Receiving a request from a foreign party to take freezing action or include a person in the local list:**

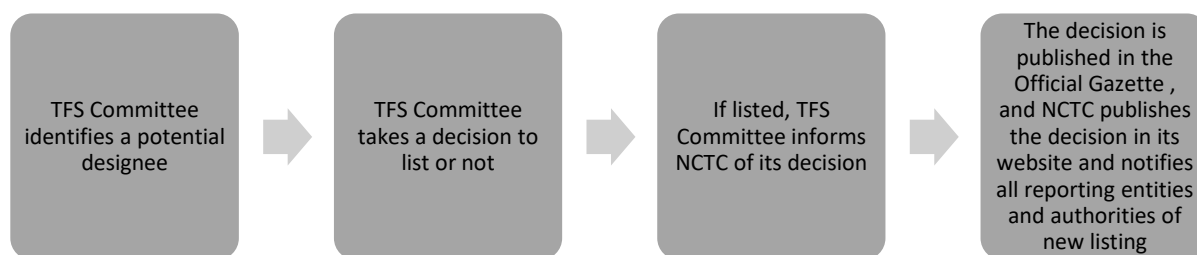
1. In accordance with NCTC's decision No. (1/2022), any foreign party can submit a request to the NCTC to include a person believed to be fulfilling the criteria of including in the local list of the Sultanate of Oman without delay or prior notice to the individual needed to be listed, and without the need for investigation or legal procedures in the Sultanate of Oman or the foreign party.
2. NCTC will refer the request to the TFS Committee to look into it urgently and issue any decision related to that action.
3. The party submitting the request should support its request with the reasonable reasons for suspicion or belief that the individual needed to be listed fulfils UNSC criteria No. (1373) as well as providing as much information as possible about the individual's identity and information supporting the listing request including: name, any information necessary to identify the person's identity in a certain and accurate way, information supporting that the person fulfils the criteria of listing in the local list as per Article (14) of the NCTC's decision No. (1/2022).

### **Measures resulting from designation in the Local List**

If the TFS Committee decides to include a person in the local list, the following shall be made:

- A) Notify all FIs, DNFBPs, NPOs, and competent authorities of the listing decision, and publishes the decision in the Official Gazette and on the NCCT's website.
- B) Notify the listed person in writing, and the written notice must include facts that can be publicly disseminated, including the cause for the listing, and the set of rules and procedures to follow when requesting a delisting as follows:
  - 1. The person residing in the Sultanate of Oman shall be notified by sending the notification by e-mail or to last registered address, or by any possible means.
  - 2. The person residing outside the Sultanate of Oman shall be notified via the Foreign Ministry of Oman to the representative of the foreign government where the person is domiciled or present.
  - 3. If the whereabouts of the person is unknown, a copy of the notice shall be forwarded via the Foreign Ministry of Oman to the representative of the foreign government of which the person is a national.

#### ***The Local Designation Process in Practice***



## **The UN List**

### **Proposal of Designation of a person in the UN List**

1. The NCTC proposes to the relevant United Nations Sanctions Committee to designate a person in the UN TFS List, in cases where it has reasonable grounds to doubt or believe that the person meets the designation criteria referred to in the relevant Security Council resolutions.
2. The proposal is to be made without prior notice to the person proposed to be listed. The decision to propose a designation is not conditional upon the existence of judicial proceedings in the Sultanate of Oman or any other country against the proposed designee.
3. The proposal for listing must use the special listing form provided and the procedures set out by the United Nations Security Council or the relevant Sanctions Committee and must include as much information as possible in the request related to the proposed designee, a statement of case and the details upon which the request is based. It must also specify whether the Sultanate of Oman may be identified as the requesting State or not.

4. In compliance to the NCTC Decision No. (1/2022), the Committee may collect and request information and data, deemed necessary, from any person or relevant authority in the Sultanate of Oman to determine whether it is necessary to propose any person to be listed in the UN list.

#### **Criteria for Designating in the UN List**

NCTC proposes listing of any person in UN List pursuant to the UNSCRs (1267, 1718, 1988, 1989, 2231), and all related subsequent resolutions, except the UNSCR (1373).

#### **Measures resulting from the inclusion in the UN List**

1. In case the UNSC/ Sanctions Committee decides to list the person in the UN List, the decision will be published in the UN website and therefore all FIs, DNFBPs, NPOs, and relevant authorities continuously follow the updates on the aforementioned website.
2. The NCTC shall, immediately and without any delay, notify all FIs, DNFBPs, NPOs, and relevant authorities with the listing decision in the UN List, and all these institutions shall take all measures to freeze funds and economic resources of the designee, and must undertake such freezing measures within 24 hours after a person is designated.

#### **Delisting from the UN / Local List**

##### **Request a delisting from the Local List and its procedures**

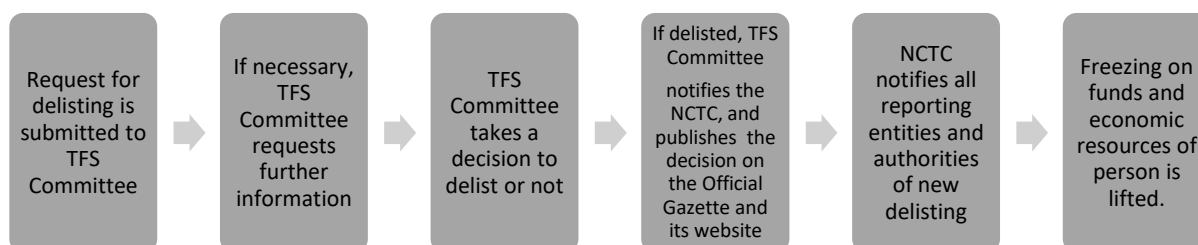
1. Anyone designated in the Local List may submit a written request to the TFS Committee for delisting.
2. The TFS Committee shall take a decision on the application within 30 days from the date a complete request was submitted. The request shall be deemed rejected in case the specified period pass without receiving a reply.
3. In case the request is rejected, the person may appeal the decision before the NCTC within (30) days of the applicant's knowledge of the rejection decision. The NCTC shall decide on the petition within (60) days of the date of its submittal in its completed form. The decision of the NCTC shall be considered final.
4. In case the TFS Committee decides to delist the person from the Local List, following procedures must be taken:
  - A) Notifying all FIs, DNFBPs, NPOs, and relevant authorities of the delisting decision, and publishing the decision on the NCTC's website and the Official Gazette.
  - B) Informing the person of the decision in writing, and including the reasons of being delisted as follows:
    1. The person residing in the Sultanate of Oman shall be notified by sending the notification by e-mail or to the last registered address, or by any possible means.
    2. The person residing outside the Sultanate of Oman shall be notified via the Foreign Ministry of Oman to the representative of the foreign government where the person is domiciled or present.
    3. If the whereabouts of the person is unknown, a copy of the notice shall be forwarded via the Foreign Ministry of Oman to the representative of the foreign government of which the person is a national.



### Request a delisting from the UN List and its procedures

1. Any person designated by the United Nations that holds Omani nationality or has a place of business or residence in the Sultanate of Oman may submit a request to the NCTC to have his name delisted, in accordance with the procedures followed by the UN Security Council and its relevant sanctions committee.
2. The NCTC examines the request submitted by the person listed in the UN List in terms of the extent to which the person meets the criteria for listing in the UN List under the Security Council Resolutions (1267), (1718), (1988), (1989), (2231) and all subsequent decisions are subject to criteria for the listing in the UN List. If the aforementioned listing criteria are not met, the NCTC may submit the request to the Security Council or its relevant sanctions committee, to delist the name from the UN List.
3. The designated person may also contact the United Nations Ombudsman or the United Nations Focal Point directly to delist his name from the designation lists under the UN Security Council Resolution (1267), in accordance with the procedures applied by the two committees of Resolutions (1267) and (1988), depending on the circumstances.
4. In case a decision is issued to delist the person from the List, his name shall be delisted from the UN List and the delisting decision shall be published on the United Nations website. Therefore, all financial institutions, non-financial businesses and professions, non-profit bodies and the relevant authorities must continuously follow up on the aforementioned website. The NCTC must also notify all financial institutions, non-financial businesses and professions, non-profit bodies and relevant authorities of the delisting decision from the UN List, and those institutions and bodies must unfreeze the person's funds and economic resources within a period not exceeding twenty-four hours from their notification.

#### *The Local Delisting Process in Practice*



## **Lifting or Amending Freezing Procedures and Authorizing Access to Frozen Funds or Economic Resources**

### Request to lift or amend the freezing procedure

1. Any person affected by a freezing decision pursuant to the NCTC Decision No. (1/2022) may submit a written request to the Targeted Financial Sanctions Committee to lift or amend the freezing procedure.
2. To lift or amend the procedure for freezing funds and/or economic resources - or part thereof - the following must be available:

- A) The applicant should not be the person intended by the designation decision.
- B) The applicant should not be a person designated in the UN List according to a relevant resolution issued by the Security Council, except for Resolution No. (1373).
- C) The decision to lift or amend is limited to funds and economic resources that are not subject to freezing from the outset.

## **Request Permission to Access Frozen Funds or economic resources**

1. Any person whose funds or economic resources have been frozen, or any person affected by a freezing decision pursuant to the NCTC Decision No. (1/2022), may submit a written request to the Targeted Financial Sanctions Committee to obtain permission to access those frozen funds and resources or part thereof to (cover basic expenses, coverage of exceptional expenses, and payment of obligations due under a contract previously concluded before the decision to freeze).
2. There are 4 scenarios in which a person whose funds or economic resources have been frozen or affected by the freezing decision can apply for permission to access or lift the freezing measures for frozen funds or economic resources, which are as follows:

### **First Scenario: access to frozen funds and resources for basic expenses.**

A person may request permission to access his frozen funds or economic resources or part thereof for the following purposes:

1. Payment of necessary or basic expenses, including payments for foodstuffs, medicines, medical treatment, rent, mortgage, taxes, insurance premiums, fees and bills for public utility services such as water, electricity, gas and communications, within reasonable limits.
2. Payment of professional fees and charges and expenses related to preservation and maintenance and those related to the provision of legal services, within reasonable limits.
3. Payment of service costs and fees due to a financial institution for managing frozen funds or economic resources.

### **Second Scenario: access to frozen funds and resources for exceptional expenses**

A person can request permission to access his frozen funds or economic resources or part of them for exceptional expenses.

### **Third Scenario: Adding interest, profits, or returns due to the frozen accounts, or paying the payments due under contracts or agreements arising before the date of the freezing decision**

1. A person can obtain permission to allow the addition of any (interests, profits or returns) due to his accounts or to make payments due on his frozen accounts under (contracts, agreements or commitments) that arose and were concluded prior to the date on which those accounts became subject to freezing under the relevant Security Council resolutions; except for the payments due under (contracts, agreements, or commitments) on his accounts, which were frozen under Resolution No. (1373) and continued under Resolution No. (2231).
2. Financial institutions, non-financial businesses and professions, and non-profit organizations and associations must notify the NCTC when adding any interest, profits, or other returns due to his accounts, or payments due on his frozen accounts, and those interests, profits, or other payments must be subject to immediate freezing.

#### **Fourth Scenario: Payment of obligations due on accounts frozen according to Resolution No. (1373) and continuing under Resolution No. (2231)**

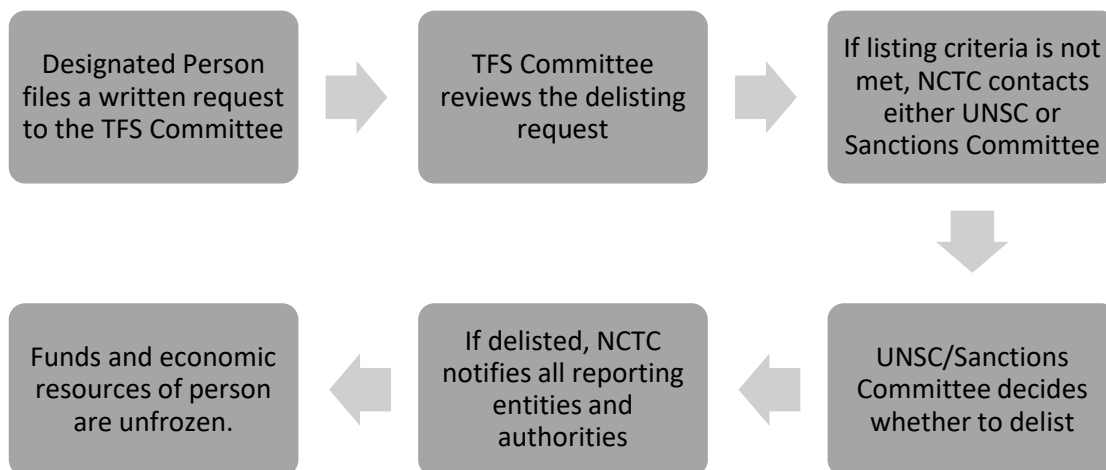
1. A person can obtain permission to allow payments due on his accounts under (contracts, agreements, or commitments) that arose and concluded before the date on which those accounts became subject to freezing under Security Council Resolutions No. (1373) and continuing with Resolution No. (2231).
2. The Targeted Financial Sanctions Committee, when considering the written request submitted by the person whose funds or economic resources have been frozen or affected by the freezing, must take into account the following:
  - A) Verify that the contract is not related to any of the materials, equipment, goods, technology, assistance, training, financial assistance, investment, mediation and services specified in UN Security Council Resolution No. (2231) and its subsequent resolutions.
  - B) Ensure that the payment will not be received directly or indirectly by a person who is subject to the measures contained in Paragraph (6) of Annex (B) of UN Security Council Resolution No. (2231).
  - C) Notify the UN Security Council of its intention to make or receive financial payments or to authorize the lifting of the freeze on funds or economic resources for this purpose, prior to (10) working days from the date specified for carrying out the procedure.

#### **Procedures for Lifting or Amending Freezing Procedures, or Authorizing Access Frozen Funds or Economic Resources**

1. The Targeted Financial Sanctions Committee shall decide on the application for lifting or amending the freezing procedures, or for permission to access frozen funds or economic resources submitted by the person whose funds or economic resources have been frozen or affected by the freezing decision, within (30) thirty days from the date of its complete submission, and the application is considered rejected. In case that the thirty (30) days have passed without a response.
2. In case that the application is rejected according to the two cases mentioned in the above paragraph; it is permissible for the person who submitted a petition against that before the NCTC within (30) thirty days from the date of his knowledge of the rejection decision, and it shall decide on the grievance within (60) sixty days from the date of its complete submission. Its decision is considered final.
3. To grant permission to access funds and/or economic resources - or part thereof - that have been frozen due to the designation of a person in the UN Security Council List, the NCTC must notify the UN Security Council or its relevant sanctions committee; that it is in the process of agreeing to grant permission to the applicant to access the frozen funds and/or economic resources, and there was no objection from them to that within (5) five working days from the date of their receipt of the notification. (Quoted from the First Scenario).
4. To grant permission to access funds and/or economic resources - or part thereof - that have been frozen due to the designation of a person in the UN Security Council List - except for Security Council Resolution No. (1373) - the NCTC notifies the UN Security Council or the relevant sanctions committee that it is in the process of agreeing to grant permission to the applicant to access the frozen funds and/or economic resources, and has received an express consent to allow access to those frozen funds and economic resources. (Quoted from the Second Scenario).
5. In case that the person is designated in the Local List and a decision is issued approving the lifting or amending the freezing procedure or permission to access frozen funds or economic resources, the decision shall be published in the Official Gazette and the website of the NCTC.

6. All financial institutions, non-financial businesses and professions, non-profit bodies, and the relevant authorities shall be notified of the decision to delist or authorize access, whether the person is on the Local List or the UN List, and those institutions and agencies must take measures to delist or authorize access to the funds and economic resources of that person within a period not exceeding (24) twenty-four hours of being notified.
7. The NCTC and the Targeted Financial Sanctions Committee determine the conditions that are considered necessary to prevent the use of funds or economic resources that have been unfrozen or allowed to access to finance terrorism. The procedure for freezing or authorizing access to frozen funds or economic resources may lead to the use of such funds or economic resources in the financing of terrorism.
8. The person whose funds or economic resources have been frozen, modified, or granted permission to access them, shall be notified as follows:
  - A) The person residing in the Sultanate of Oman by sending the notice to them by e-mail or to his last registered address, or by any means possible.
  - B) The person whose residing outside the Sultanate of Oman through the Foreign Ministry of Oman to the representative of the country in which he resides or is present.
  - C) The person whose address is unknown through the Foreign Ministry of Oman to the representative of the country whose nationality he holds.

***The UN Delisting Process in Practice***



## NCTC's Email Notification System

1. The NCTC has provided a service to the public where beneficiaries can subscribe to the alert system on its website, whereby the system sends an email notification to those registered for every new listing or update to both the Local Terrorism List or the UN List.
2. FIs and DNFBPs are requested to subscribe to the NCTC's Email Notification System on the NCTC's website. The purpose is for FIs and DNFBPs to receive automated email notifications on any updates. For guidance on how to subscribe, please see Annex A attached to this guidance.
3. Subscribing to the NCTC's email notification system only serves as a supplementary tool to help FIs and DNFBPs fulfil their duty of freezing funds and/or economic resources of designated persons without delay.
4. Once a notification of a change to either the Local or UN List is received via email, it is the FI's or DNFBP's obligation to screen its databases to ensure that any potential designees are identified and successively have their funds and/or economic resources become immediately subject to freezing measures (see also the next section).

## Screening Databases

1. FIs and DNFBPs must undertake regular and ongoing screening exercises on the latest Local List and UN Consolidated List. Such exercise must be initiated when either of the following scenarios occurs:
  - a. When there are any updates to the Local List or UN Consolidated List. In such cases, screening must be conducted immediately and without delay to ensure compliance with the obligation of implementing freezing measures without delay (within 24 hours).
  - b. Before a new customer is onboarded.
  - c. When KYC reviews occur
  - d. When changes are made to a customer's information.
  - e. Prior to processing any type of transaction.
2. In addition to the 5 scenarios above, best practice calls for FIs and DNFBPs to ensure existing customers and third parties are screened on a regular basis to maintain compliance against the dynamic and ever-changing financial and trade sanctions landscape. An FI's or DNFBP's policies and procedures should clearly define when screening takes place.
3. As a general principle, screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes, to validate that the relationships remain permissible. Where either internal or external data sets change frequently, periodic screening may be as often as daily, but longer intervals between periodic rescreening may be acceptable in situations where change is less frequent or the risk of a potential sanctions exposure is low.

4. In case either of the above five scenarios occurs, FIs and DNFBPs are required to check all of the following databases to help them identify possible matches with names listed in either the UN List or the Local List:

A) Existing customer databases.

B) Names of parties to any transactions (this includes buyers, sellers, agents, etc.)

C) Beneficial owners.

D) Names of persons or entities with direct or indirect relationships with designated persons.

E) Customers, before conducting any transactions or entering any serious business relationship with them.

F) Directors and/or agents acting on behalf of customers (including individuals with power of attorney).

5. The screening of the above-mentioned databases should become a continuous activity for FIs and DNFBPs. It should not be an exercise that occurs only right after any information is received from the NCTC.

6. With both the UN List and Local List being updated constantly and being available online, FIs and DNFBPs should ensure that they do not, in any way possible, engage with a designated person or entity. To ensure that this risk is minimized, reporting entities should screen their entire databases (of both current and new customers) every time when conducting a screening exercise, also taking into consideration all possible identifying factors, such as first name, last name, identification number, nationality, address, etc.

## Reporting to the NCTC

1. When an FI or DNFBP identify a confirmed or potential match during their screening exercise, they are required to report such match(es) to the NCTC within 24 hours following the freezing measures.

2. The reporting of any freezing measures or attempted transaction by a designated individual, entity, or group must be communicated directly by email to the NCTC via email ([info@nctc.gov.om](mailto:info@nctc.gov.om)) within 24 hours from implementing any freezing measures.

## WHAT TO REPORT

1. When contacting the NCTC because of a freezing measure being implemented, FIs and DNFBPs are required to include the following information in the email:
  - A) The full name of the confirmed or potential match
  - B) ID documents of the confirmed or potential match (e.g. travel document, trade license)
  - C) The type of funds and/or assets frozen
  - D) The value of funds and/or assets frozen (broken down by type of funds and/or assets frozen)
  - E) The relevant UNSCR under which the person is (potentially) designated.
2. Please see Annex B for the reporting template that FIs and DNFBPs should use when reporting a confirmed or potential match on UNSCRs.

## Roles of Enforcement Agencies and Other Authorities

In order to fully and effectively implement the TFS Regulation, Oman has to count on the active participation of not only the NCTC, the TFS Committee, FIs, DNFBPs, and NPOs. The TFS Regulation also requires the following authorities to play their part:

### 1. Law Enforcement Agencies, the NCFI, and the Migration Authority

- A) Screen internal databases against the Local List and UN List and take any appropriate action when identifying a match case.
- B) Notify the outcome of any positive match during the screening activity immediately to the NCTC.
- C) Spontaneously send any information detected to the NCTC that may be relevant to update the Local List and the UN Lists.
- D) Cooperate and provide information to the NCTC and the TFS Committee with regards to the implementation of TFS.

### 2. Ministry of Transport, Communications and Information Technology, Civil Aviation Authority, Maritime Security Centre, Directorate General of Customs, Directorate General of Traffic, and company registrars

- A) Searching in the internal databases in comparison with the UN List and the Local List and take any appropriate measures when detecting any match.
- B) Applying the freezing measures within (24) hours.
- C) Notify the NCTC of the outcome of the freezing measures or the implantation of any other measures within (24) hours.

D) Automatic transmission of any detected information to the NCTC when it is relevant to updating the Local and UN Lists.

E) Cooperating and providing information to the NCTC and the Targeted Financial Sanctions Committee.

## NCTC Website

1. The NCTC has launched a new website that provides an overview of the framework of Targeted Financial Sanctions in the Sultanate of Oman, and contains information about the NCTC and the list of Targeted Financial Sanctions, as well as the mechanism of its implementation and the latest updates related to Targeted Financial Sanctions.
2. The website also provides instructions for financial institutions and designated non-financial businesses and professions on how to register in the Notification system via the NCTC e-mail, so that any amendments to the Local List and the UN List can be received simultaneously via the link ([nctc.gov.om](http://nctc.gov.om)).
3. For more information, questions, remarks or comments about this guidance or any other issue related to Targeted Financial Sanctions, please contact the NCTC through the following:

Phone: +968 246 91 999

Email: [info@nctc.gov.om](mailto:info@nctc.gov.om)

The NCTC website: 'Contact Us' via: [nctc.gov.om/Home/Contact Us](http://nctc.gov.om/Home/Contact%20Us)

4. Remember to visit the Frequently Asked Questions (FAQs) section on Targeted Financial Sanctions on the NCTC website; you may find answers to some questions there.

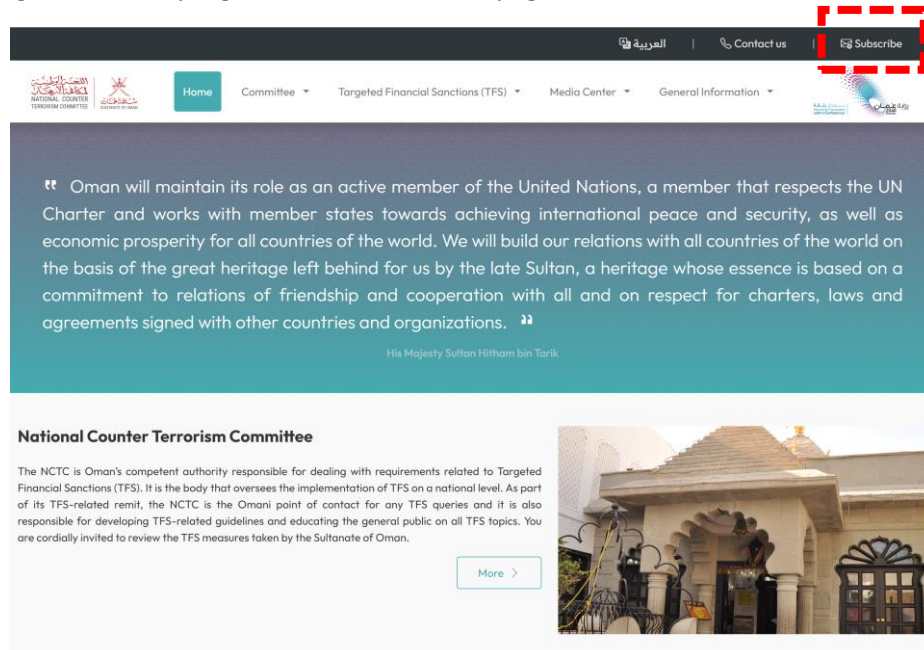


## Annex A - Subscribing to the NCTC's Email Notification System

### How to Subscribe

**Step 1.** Visit the NCTC homepage under the following link: <https://nctc.gov.om/>

**Step 2.** Navigate to the top-right corner of the homepage and click on 'Subscribe'



**Step 3.** Fill out the 3 requested fields (1. Company Name, 2. Company Type, 3. Email), and then tick the 'I'm not a robot' box.

A screenshot of the NCTC 'SUBSCRIBE' form. The form is titled 'SUBSCRIBE' and includes the text 'By registering in the mailing list, you will receive all news, developments and lists related to terrorism'. There are four numbered annotations in red circles: 1. Points to the '\*Company Name' text label. 2. Points to the '\*Company Type' dropdown menu. 3. Points to the '\*Email' text label. 4. Points to the 'I'm not a robot' checkbox. The form also includes a 'Submit' button and a reCAPTCHA logo.


**Step 4.** Submit your information by clicking 'Submit'.

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25

## Annex B - Reporting Template for a Confirmed or Potential Match on UNSCRs

**Please submit the completed form, without delay and not later than 24 hours following the freezing measures.**

**The report must be sent directly to the National Counter Terrorism Committee, via [info@nctc.gov.om](mailto:info@nctc.gov.om)**

### Reporting Institution's Details (please fill in **all** cells):

Reporting Institution's Name	
Contact Person	
Job Title	
Phone Number	
Email Address	
Reporting Date	
Other Remarks:	

### TFS Report:

Reporting on:	Confirmed Match ( )
(please cross (x) the appropriate bracket)	Potential Match ( )
Relevant on which list:	UNSCR List ( )
(please cross (x) the appropriate bracket)	Local List ( )
If relevant on a UNSCR List, which one:	UNSCR 1267/1989 ( )
	UNSCR 1988 ( )
	UNSCR 1718 ( )
	UNSCR 2231 ( )
	Other ( )
Name of Confirmed/Potential Match:	
Address of Confirmed/Potential Match:	
Passport and/or National Identity Card Number of confirmed/potential match:	
Type of funds/assets frozen:	
(please add all types of funds/assets frozen)	
Value of funds/assets frozen:	
(please break down each type of fund and/or asset frozen)	
Action taken by Reporting Institution:	
Other Remarks:	