



Targeted Financial Sanctions Implementation Rules (TFS)

Capital Market Authority

Issued by the Board of the Capital Market Authority

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Chapter I

Definitions and General Provisions

1. Definitions

- A. The following terms and expressions, wherever used in these Rules, shall have the meanings set forth opposite each of them, unless the context requires otherwise.

Term	Definition
Rules	Targeted Financial Sanctions Implementation Rules.
Authority	Capital Market Authority (CMA)
Financial Institution	Any financial institution regulated, oversighted, and supervised by the Authority and entrusted with responsibilities relating to the prevention of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.
Targeted Financial Sanctions	Targeted financial sanctions relating to the implementation of mechanisms for enforcing United Nations Security Council resolutions on counterterrorism and the financing of terrorism, as well as the mechanisms for enforcing United Nations Security Council resolutions on preventing the proliferation of weapons of mass destruction and the financing thereof.
Sanctions Lists	The sanctions lists issued pursuant to the implementation mechanisms of United Nations Security Council resolutions concerning counterterrorism and the financing of terrorism, and the United Nations Security Council resolutions concerning the prevention of the proliferation of weapons of mass destruction and the financing thereof.
Listed Person	Any natural or legal person, or any group of natural or legal persons, or an entity classified in the sanctions lists.
Funds	Assets, economic resources, and property of any kind, however acquired and whatever their value or nature, whether tangible or intangible, movable or immovable, together with any documents, instruments, certificates, or records, regardless of form, including electronic or digital systems and bank credits, that evidence title to, or an interest in, such assets, economic resources, or property. This includes, without limitation, all checks, credit cards, remittances, shares, securities, bonds, promissory notes, letters of credit, digital currencies, virtual assets, and any interest, dividends, or other income generated by, or derived from, any assets, economic resources, or property of any kind that may be used to obtain funds, goods, or services, whether within or outside the Kingdom of Saudi Arabia. Economic resources also include "coal, oil, refined petroleum products, refinery units, and related materials," including chemicals, lubricants, and other natural resources such as gold and other precious metals, gemstones, minerals, and wildlife; as well as any assets or resources that may be used to obtain funds, goods, or services, or to provide website hosting or related services. The term further encompasses all types of property, tangible or intangible, movable or immovable, used for providing internet publishing



Term	Definition
	services or related services, and all proceeds derived from criminal activity, including the cultivation, production, and illicit trafficking of narcotics and their precursors, and ransom payments, irrespective of the method of payment or the identity of the payer, when made to individuals or entities listed on the sanctions lists.
Without Delay	The phrase without delay means, ideally, within a matter of hours of the designation of a person in the sanctions lists or the announcement of the delisting of a person from the sanctions lists.

- B. The remaining terms and expressions used in these Rules shall have the meanings assigned thereto in the Anti-Money Laundering Law issued by Royal Decree No. (M/20) dated 5/2/1439H and its Executive Regulations issued pursuant to State Security Presidency Decision No. (14525) dated 19/2/1439H; The Anti-Terrorism Crimes and Financing Law issued by Royal Decree No. (M/21) dated 12/2/1439H and its Executive Regulations issued pursuant to Council of Ministers Decision No. (228) dated 2/5/1440H; The implementation mechanisms for Security Council resolutions issued by the competent authorities; and any subsequent amendments to the aforementioned laws, regulations, and instructions, unless the context requires otherwise.

2. General Provisions

- A. The Rules aim to establish the minimum obligations related to the implementation of targeted financial sanctions concerning terrorism and its financing, and the prevention of the proliferation of weapons of mass destruction and its financing. The Rules include requirements for the Financial Institution to support the unit responsible for daily tasks associated with the Rules, and to clarify the responsibilities of the Board of Directors and Senior Management. This is to ensure the appropriate and effective implementation of instructions related to targeted financial sanctions in compliance with the regulatory requirements in force in the Kingdom of Saudi Arabia.
- B. The Rules are consistent with the provisions contained in the implementation mechanisms of United Nations Security Council resolutions related to counter-terrorism and its financing, including Resolutions No. (1267, 1989, 2253, 1988, and 1373) and subsequent related resolutions; the United Nations Security Council resolutions related to the prevention of the proliferation of weapons of mass destruction and its financing, including Security Council Resolutions (1718 and 1737) and subsequent related resolutions; relevant national instructions, mechanisms, and circulars; and the recommendations of the Financial Action Task Force (FATF), specifically Recommendation 6 and Recommendation 7, as well as the effectiveness criteria outlined in Immediate Outcomes 10 and 11.

3. Scope

- A. The Rules shall apply to Financial Institutions.
- B. The Rules are mandatory and represent the minimum requirements that Financial Institutions must adhere to, without prejudice to the provisions of any relevant laws, regulations, or instructions.



Chapter II

Governance and Responsibilities of the Financial Institution

- 2.1 Without prejudice to the provisions of relevant laws, regulations, and instructions—including the Anti-Terrorism Crimes and Financing Law, its Executive Regulations, and the Authority Circular No. (2515175) dated 15/5/1447H concerning compliance with measures related to countering the financing of the proliferation of weapons of mass destruction—the Financial Institution shall conduct a comprehensive and documented assessment of risks related to terrorism and its financing, as well as risks related to the financing of the proliferation of weapons of mass destruction. It shall periodically and continuously enhance its practical understanding of these risks and their patterns through multiple risk factors, including those associated with its customers, other countries, geographical areas, products, services, transactions, and delivery channels.
- 2.2 The Financial Institution shall adopt a risk-based approach in developing and implementing internal policies, procedures, and controls related to Targeted Financial Sanctions, proportionate to the nature of its activities, the scale of its operations, and its risk exposure. It shall periodically and continuously verify its technical and operational readiness to fulfill all obligations outlined in these Rules.
- 2.3 The Financial Institution’s compliance and Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) framework shall include a comprehensive Targeted Financial Sanctions compliance program, proportionate to the nature of its activities, the scale of its operations, and its risk exposure. This includes appointing a designated officer, ensuring effective coordination and cooperation among relevant administrative units, and addressing any impediments or challenges that may affect the Financial Institution’s obligations under these Rules. The Board of Directors in joint-stock companies, or Senior Management in non-joint-stock companies, bears ultimate responsibility for the efficiency and effectiveness of this program and shall provide the necessary support and resources for its implementation.
- 2.4 The Financial Institution shall establish written policies, procedures, and controls approved by the Board of Directors in joint-stock companies or Senior Management in non-joint-stock companies, dedicated to fulfilling the obligations set forth in these Rules. These shall be implemented through associated procedures and controls within the Institution. The policies and procedures must be clearly written and enforced across all sectors and operations of the Financial Institution to ensure effective application. They shall be reviewed and updated periodically to keep pace with any new developments or relevant instructions and shall address the following elements:
- a. Procedures and controls for screening against Sanctions Lists.
 - b. Management and updating of Sanctions Lists through official channels and websites.
 - c. Freezing of Funds procedures.
 - d. Procedures for lifting freezes.
 - e. Recordkeeping.
 - f. Training and awareness.
 - g. Measures implemented to maintain confidentiality.
 - h. Approved measures for protecting whistleblowers.



- 2.5 The Financial Institution shall submit regular periodic reports to the Board of Directors or Senior Management, as applicable, regarding the extent of its compliance with implementing these Rules and related Targeted Financial Sanctions instructions. These reports shall include the results of supervisory observations and internal reviews, covering any instances of non-compliance, corrective actions taken, and their outcomes.
- 2.6 The Financial Institution shall test the effectiveness of its internal policies, procedures, and controls related to fulfilling the obligations under these Rules through an independent auditor, whether via internal or external audit, on an annual basis. The results shall be submitted to the Board of Directors or Senior Management, as applicable, for discussion and to take necessary measures to address any deficiencies.
- 2.7 The Financial Institution shall establish a specialized unit for Targeted Financial Sanctions matters, organizationally linked to its AML/CFT unit. It shall provide the specialized unit with adequate human and technical resources proportionate to the nature of its activities, the scale of its operations, and its risk exposure. A competent officer with sufficient professional expertise and experience shall be appointed to oversee the unit's functions. For financial institutions, following written non-objection from the Authority, the AML/CFT Officer may be assigned this role, provided they possess the necessary competence and experience in Targeted Financial Sanctions matters and are granted the requisite authorities to perform their duties.



Chapter III

Screening Procedures and Controls

- 3.1 The Financial Institution shall establish and maintain written procedures and controls for the immediate and direct screening of customer and transaction information and data, beneficial owners, authorized signatories and managers acting on behalf of customers, and other related parties, to verify their match against Sanctions Lists and to ensure the implementation of all relevant requirements under these Rules.
- 3.2 The Financial Institution shall have written and updated procedures for identifying relationships that may indirectly involve Listed Persons, and a mechanism for handling such cases in a manner that ensures the Institution's compliance with the requirements of these Rules and related Targeted Financial Sanctions instructions. This includes, but is not limited to, identifying entities owned, controlled, or directed—directly or indirectly, wholly or partially, by a person listed on Sanctions Lists. Preventive measures to mitigate risks may include reviewing ownership structures, conducting enhanced verification of ownership or control, and implementing enhanced due diligence measures on legal entity structures.
- 3.3 The Financial Institution shall have written procedures, clear indicators, and updated criteria for identifying cases that may involve attempts to evade or circumvent Targeted Financial Sanctions. This includes monitoring such cases and adopting and implementing a mechanism for handling them to ensure the Institution's compliance with the requirements of these Rules.
- 3.4 The Financial Institution shall screen the names and information of customers, beneficial owners, authorized signatories and managers acting on behalf of customers, and other related parties, based on the latest decisions issued by the United Nations Security Council and national Sanctions Lists. The Financial Institution shall also review transactions executed in the previous twelve months to identify any prior dealings with persons newly listed on Sanctions Lists. This process must be documented and auditable, clearly showing the scope of the screening, its results, and the actions taken. Depending on the Financial Institution's risk level and transaction volume, the review period should extend beyond twelve months if available resources permit. In all cases, the screening process shall include, at a minimum:
- a. Customers and transactions.
 - b. Beneficial owners.
 - c. Authorized signatories and managers acting on behalf of customers.
 - d. Other related parties (including: correspondent banks, beneficiaries of remittances, and intermediaries).
- 3.5 The Financial Institution's screening mechanism shall document the method, timing, procedures, results of screening, and the responsible administrative unit. The Financial Institution shall conduct screening according to the following:
- a. Before establishing a new business relationship, opening an account, or opening an electronic wallet for a customer or related party.
 - b. Before executing any financial transaction, whether domestic or international.
 - c. Immediately upon any update to the Sanctions Lists.
 - d. When the Financial Institution updates or reviews customer data.
 - e. Quarterly (comprehensive screening).



- f. Based on specific events warranting additional screening.
- 3.6 The Financial Institution shall adopt and implement a clear schedule for screening procedures based on the cases specified in paragraph (3.5). The defined timeframes must comply with the following:
- a. **Outgoing and incoming transactions:** Screen all outgoing transactions before execution and incoming transactions upon receipt (without waiting for the end of the day or a specified period).
 - b. **Comprehensive screening:** A comprehensive screening of the database and information of customers, transactions, beneficial owners, authorized signatories and managers, and related parties, at a minimum, once every three months.
 - c. **Post-update screening:** Upon receipt of an update to the Sanctions Lists, screen all data and information of customers, transactions, beneficial owners, authorized signatories and managers, and related parties against the updated list, while maintaining a record documenting the update, the screening process, and any actions taken based on it.
 - d. **Additional screening based on specific events:** The systems and tools used for screening must be activated based on any material changes or events, including: changes in ownership or control structure; the emergence of a new high-risk country in a customer's transactions or business relationships; changes in transaction patterns that may indicate increased risk; receipt of alerts from regulatory authorities or competent bodies indicating increased risk in a sector, country, or group of customers; an increase in a customer's risk rating following a periodic assessment; customer involvement in suspicious activities prior to or following updates to Sanctions Lists; or adverse news related to a customer, country, or specific sector. The Financial Institution must identify and document these events in its internal policies and procedures, ensuring they are updated periodically and continuously to reflect emerging key risks or threats.
- 3.7 The screening systems and tools relied upon by the Financial Institution must be capable of detecting any matches for names, aliases, spelling variations, phonetically similar names, and phonetic translations. The Financial Institution shall periodically and continuously verify the effectiveness of these systems and tools.
- 3.8 The Financial Institution shall select screening systems and tools appropriate to the nature of its activities, the scale of its operations, and its level of risk exposure. It must rely on robust, highly reliable automated systems capable of real-time matching against Sanctions Lists and shall periodically and continuously review the effectiveness of the real-time matching of these systems and address any deficiencies based on the evaluation results in accordance with paragraph.(3.12)
- 3.9 Financial institutions may, after obtaining written non-objection from the Authority, use manual systems and tools that are robust and well-documented, appropriate to the nature of their activities, the scale of their operations, and their risk exposure, subject to the following requirements:
- a. They must not delay the implementation of requirements for immediate screening against Sanctions Lists, freezing procedures, reporting procedures, and unfreezing procedures.
 - b. Such procedures and tools must support regular updates of Sanctions Lists based on official sources.
 - c. Screening procedures must be executed accurately by trained personnel.



- d. Partial or approximate matches must be evaluated using consistent and documented criteria.
- e. Screening records and decisions must be fully documented and made available for review upon request.

3.10 The Financial Institution shall document in its procedures any matching methodology used in its screening systems and tools, including matching logic, mechanism, and criteria. It shall ensure the methodology is appropriate to the nature of its activities, the scale of its operations, and its level of risk exposure, and shall periodically and continuously review its effectiveness and update it based on evaluation results in accordance with the requirements set out in paragraph (3.11).

3.11 The Financial Institution shall document and approve any modifications to its approved screening procedures and mechanisms, including the justification for the changes. These modifications must be attached to the policies and procedures approved by the Board of Directors or Senior Management, as applicable. Prior to approval, necessary testing must be conducted to ensure the effectiveness of the modifications and that they do not affect the Financial Institution's obligations under these Rules and related Targeted Financial Sanctions instructions.

3.12 The Financial Institution must regularly test the effectiveness of its screening mechanisms to verify their compliance with the requirements of these Rules and related Targeted Financial Sanctions instructions. This testing must ensure the evaluation of detection accuracy for matches, reduction of false negatives, review of search filtering criteria, review of scenario-based verification processes, and analysis of cases where matches were not detected despite an actual match. Testing shall not be limited to reviewing exact name matches but must also include cases that may arise from indirect matches. These tests, their results, and actions taken to address identified deficiencies must be documented.



Chapter IV

Management of Sanctions Lists

- 4.1 The Financial Institution shall update its internal lists immediately upon the announcement or notification of the inclusion of any person or group of persons in the Sanctions Lists. It shall monitor and update its internal lists daily via official websites and channels and maintain a log documenting the time of receipt of updates, their implementation, and confirmation within internal systems.
- 4.2 Without prejudice to the provisions of Chapter Three regarding screening procedures and controls concerning the use of automated or manual screening tools and systems, the Financial Institution must consider that reliance on such tools shall not be deemed a guaranteed assurance of compliance with the instructions under these Rules. Daily and continuous verification processes must be conducted, and internal lists must be updated from the official websites and channels of the Sanctions Committees, the Standing Committee for Combating Terrorism and its Financing under the State Security Presidency, the Standing Committee concerned with the Implementation of Security Council Resolutions issued under Chapter VII at the Ministry of Foreign Affairs, and the websites and channels of United Nations Sanctions Committees.
- 4.3 The Financial Institution shall consolidate all updated Sanctions Lists into a single approved internal list. This list must be updated regularly based on updates received from the competent authorities as stipulated in paragraph (4.1) and shall include the names of persons listed in the Sanctions Lists. The Financial Institution may add to the consolidated list the names of persons listed in sanctions lists issued and available from other countries.

Chapter V

Handling and Escalation of Alerts

- 5.1 The Financial Institution shall adopt an organized and time-bound mechanism for reviewing and processing alerts generated by its screening systems and tools. This mechanism must include clear procedures for assessing the severity and classification of alerts, escalation procedures, and the prompt, rapid, accurate, and documented resolution of potential matches to determine whether a match is true or false. The Financial Institution shall periodically and continuously review the effectiveness and appropriateness of this mechanism.
- 5.2 The Financial Institution shall regularly review all alerts generated by its screening systems and tools, prioritizing the handling of high-risk alerts and ensuring that low-risk alerts are reviewed within a reasonable and appropriate timeframe defined in accordance with the Institution's risk appetite.
- 5.3 The process of reviewing and handling alerts within the Financial Institution shall be conducted by two qualified personnel (in a dual-control manner) to ensure a dual verification check. Both must possess sufficient experience and knowledge in Targeted Financial Sanctions matters. Alert resolution may be supported by information obtained through the application of due diligence measures or external sources such as public records or information and news available in open sources.
- 5.4 If sufficient grounds exist confirming that the alert is merely a false positive, the Institution's specialists may close the alert after following the required internal procedures, retaining written justification explaining the reasons for closure and the inaccuracy of the alert. If the specialists are unable to close the alert for any reason, it must be escalated directly to the higher administrative officer who possesses the appropriate experience and authority to assess the match and take the appropriate action in accordance with the instructions under these Rules
- 5.5 The higher administrative officer responsible of Targeted Financial Sanctions at the Financial Institution shall verify the alert and the extent of its direct or indirect connection to a Listed Person. If sufficient grounds supporting such a connection exist, the Funds must be frozen without delay. The Financial Institution may not defer freezing procedures pending approval from an internal committee, awaiting legal review, senior management approval, or for any other reason, once a match is confirmed.
- 5.6 The Financial Institution shall document all actions taken in handling alerts—whether closure or escalation—and maintain detailed records thereof. Documentation shall include, at a minimum, the following information and elements:
- a. The time and date the alert was received.
 - b. The time and date the alert was processed, and the time and date of escalation, if any.
 - c. The source of the alert (e.g., UN Security Council lists or national lists).
 - d. The nature of the alert (e.g., name match, indirect match, or match related to attempted evasion or circumvention of Targeted Financial Sanctions).
 - e. The action taken, with supporting justifications.
 - f. The names of the specialists who processed the alert.



- g. The results of alert processing (e.g., false positive, confirmed match, or report to the Authority).
 - h. Data and information regarding any freezing action implemented.
- 5.7 The Financial Institution shall take adequate measures to ensure the confidentiality of alerts and their processing, and to prevent the alerting, notification, or disclosure to the customer, or to a third party, or any other related party—internal or external—directly or indirectly, regarding the existence of a match related to Sanctions Lists, an intention to freeze Funds, or that a review is ongoing in this regard. This does not apply to notification of the Authority in accordance with paragraph (5.9) and the Financial Intelligence Unit in accordance with paragraph.(5.10)
- 5.8 In cases where a specific name consistently generates false positive matches, and after verification that the match is false and inaccurate, the Financial Institution may consider including the name in an "internal whitelist" and flagging names on such lists to be excluded from future alerts if justified. This list shall be subject to periodic review and approval by the Board of Directors or Senior Management, as applicable, to ensure accuracy and compliance with the obligations under these Rules. This list must also be subject to comprehensive screening, post-update screening, and additional screening based on specific events as stipulated in paragraph.(3.6)
- 5.9 After undertaking the necessary freezing actions, the Financial Institution must notify the Authority via email (CMA-AML@cma.org.sa). The notification must contain sufficient information about the customer and the transaction, details of the freezing actions, the nature and value of frozen Funds, relevant listing information (UN list or national list), any transactions that were conducted or attempted, and any other relevant information or measures. Any additional information requested in this regard must be provided within the timeframe and via the mechanism specified by the Authority.
- 5.10 The Financial Institution shall verify the absence of cases of evasion or circumvention of Targeted Financial Sanctions by conducting necessary reviews of ownership structures, transaction patterns, intermediaries, complex arrangements, and others. If indicators of attempted evasion, circumvention of sanctions, or any suspicious financial behavior exist, a suspicious activity report must be filed with the Financial Intelligence Unit in accordance with the regulatory requirements specified in relevant laws and instructions
- 5.11 The Financial Institution shall provide the specialized administrative unit responsible for processing and reviewing alerts and monitoring cases of evasion or circumvention of Targeted Financial Sanctions with adequate human and technical resources, taking into account the nature of its activities, the scale of its operations, and its level of risk exposure. It shall annually document and review the adequacy of human and technical resources, including the results and proposed recommendations.
- 5.12 The Financial Institution shall submit periodic reports to the Board of Directors or Senior Management, as applicable, including the number of alerts by classification, the number of alerts closed by classification, the number of open alerts by classification, freezing actions, and schedules for updating Sanctions Lists.



Chapter VI

Freezing and Unfreezing Procedures

- 6.1 The Financial Institution shall, without delay and without prior notice, freeze any Funds that are owned, controlled, managed, directed, or held—wholly or partially, directly or indirectly—by a Listed Person. This freeze shall also include Funds of any person acting on behalf of, at the direction of, or for the benefit of a Listed Person, or of any entity owned or controlled by the Listed Person.
- 6.2 The Financial Institution shall refrain from making available any Funds, or any form of financial or other services, directly or indirectly, to any Listed Person, or to any person acting on their behalf, at their direction, for their benefit, or to any entity owned or controlled—directly or indirectly—by a Listed Person.
- 6.3 The Financial Institution must ensure that the freezing order extends to Funds owned or controlled—wholly or partially, directly or indirectly—by the Listed Person. This includes, for example, companies controlled directly or indirectly by the Listed Person without formal ownership, joint bank accounts, trust funds, companies owned or controlled by the Listed Person through minor children or spouses, shell or front companies used by the Listed Person, joint ventures in which they participate, and companies with complex or opaque ownership structures designed to conceal control or ownership by a Listed Person.
- 6.4 The Financial Institution must ensure that freezing measures apply to all Funds co-owned, co-controlled, or co-held by a Listed Person and a non-listed person, including the portion owned or controlled by the non-listed person. Such Funds may not be dealt with except after consulting the Authority, which will notify the competent authorities to review the matter, with each case handled individually.
- 6.5 The Financial Institution must ensure that obligations related to freezing extend to any Funds obtained or generated from the frozen Funds.
- 6.6 The Financial Institution must extend freezing measures to entities not explicitly named, if they are owned or controlled individually or collectively by a Listed Person, or if the Listed Person exercises effective control over their management or operations, directly or indirectly.
- 6.7 If the Financial Institution becomes aware of Funds related to Listed Persons that are not under its management, possession, or control, it must notify the Authority in writing with details of such Funds and of any transactions conducted with a former or transitory customer who is later identified as a Listed Person.
- 6.8 Financial Institutions may allow additions to frozen accounts for any payments, interest, or other profits accruing to those accounts based on contracts, agreements, or obligations that arose before the date of freezing, as well as any Funds from an inheritance or compensation provided for the benefit of the Listed Person, provided they remain subject to the freeze and the Authority is notified in writing thereof.



- 6.9 If a Listed Person's name is removed from the Sanctions Lists by the UN Security Council Sanctions Committees, the Financial Institution must, without delay and without prior notice, lift the freeze, unless prior notification is received that the delisting does not apply due to designation under UN Security Council Resolution 1373. Regarding names previously frozen based on directives from the competent authorities, they shall remain frozen until instructions are received from the Authority concerning them.
- 6.10 Upon lifting a freeze, the Financial Institution must immediately notify the Authority, providing in writing information regarding the status, nature, and quantity of the Funds for which the freeze was lifted, any measures taken regarding them, and any other information relevant to the decisions.



Chapter VII

Record Keeping

- 7.1 The Financial Institution shall maintain comprehensive records of all policies, procedures, and internal controls implemented in relation to fulfilling its obligations under these Rules and related Targeted Financial Sanctions instructions. These records shall include, at a minimum, the following:
- A. Directives issued regarding Sanctions Lists and their updates.
 - B. Any updates to Sanctions Lists and internal records.
 - C. Alerts received from screening systems and tools and the results of their handling.
 - D. Screening and review activities conducted based on specific events.
 - E. Freezing procedures and related correspondence and information.
 - F. Unfreezing procedures and related correspondence and information.
 - G. Reports submitted to the Authority and related information.
 - H. Suspicious activity reports filed with the Financial Intelligence Unit.
 - I. Internal review reports of screening systems and tools, including reports of internal or external auditors, and the results and recommendations adopted.
 - J. Reports submitted to the Board of Directors or its equivalent and Senior Management regarding obligations related to these Rules.
 - K. A comprehensive statement of training and awareness activities provided to the Institution's personnel.
- 7.2 The Financial Institution shall maintain records securely and in an organized manner, ensuring they are retrievable immediately upon request and clearly indexed by date, type of action, and relevant customer or transaction information and data.
- 7.3 The Financial Institution shall retain all records, documents, and data for a period of not less than ten (10) years from the date of the conclusion of the transaction or action.



Chapter VIII

Training and Awareness

- 8.1 The Financial Institution shall provide comprehensive, risk-based training to all its personnel involved in implementing the instructions under these Rules, the provisions of the Anti-Terrorism Crimes and Financing Law, the Anti-Money Laundering Law, their respective Executive Regulations, and the implementation mechanisms of relevant Security Council resolutions issued by the competent authorities. This training must be specifically tailored for each category of employees, commensurate with their roles, responsibilities, and level of risk exposure. It shall be updated regularly to reflect regulatory developments, evolving applications, and operational challenges.
- 8.2 The training programs provided by the Financial Institution must include simulation exercises for relevant staff, aligned with the nature of their daily work and taking into account the Institution's activities, scale of operations, and risk exposure. Training may cover any of the following topics:
- A. Introduction to Targeted Financial Sanctions programs, their objectives, and their regulatory framework in the Kingdom.
 - B. Guidance on distinguishing between major sanctions programs, including their legal implications.
 - C. Case studies or practical scenarios highlighting applications of terrorism financing, proliferation financing, and sanctions evasion.
 - D. Mechanisms for handling alerts generated by screening systems and tools, including escalation paths.
 - E. How to analyze alerts from screening systems and tools, how to distinguish between false positives and true matches, and how to document the decision-making process.
 - F. Guidance on enhancing the Institution's screening systems and tools methodology.
 - G. How to implement Funds freezing actions and their scope.
 - H. Guidance on unfreezing procedures and their scope.
 - I. Prohibition against alerting on alert processing results and the importance of maintaining confidentiality during review.
 - J. Legal consequences of non-compliance with the provisions of these Rules.
- 8.3 The training and awareness provided to personnel of the specialized administrative unit within the Financial Institution must include in-person workshops attended by trainers specialized in Targeted Financial Sanctions matters. Training for other related administrative units may be delivered through e-learning modules.
- 8.4 The Financial Institution shall monitor training completion, evaluate its effectiveness, and supplement it with periodic refresher sessions as needed. The Institution must assess the extent of its personnel's understanding of the training material and their ability to apply it practically, which can be done through tests, periodic surveys, or simulation exercises. The results of training evaluations must be documented, reported to Senior Management, and used to take necessary actions for improving the training program.



- 8.5 Awareness programs for Senior Management and members of the Board of Directors (or their equivalent) at the Financial Institution must include focused and specific information on Targeted Financial Sanctions, ensuring they are fully aware of their responsibilities in approving internal policies, procedures, and controls, overseeing their implementation, and providing the necessary human and technical resources.
- 8.6 The Financial Institution must continuously monitor significant developments and updates in the field of Targeted Financial Sanctions and ensure this information is communicated to relevant staff through periodic training programs. Training and awareness programs must be updated based on these developments to ensure all staff remain informed of the latest changes and to enhance the Institution's ability to comply with all instructions under these Rules.



Chapter IX

Final Provisions

- 9.1** The Financial Institution, and all its personnel, must ensure the confidentiality of information related to Listed Persons, in accordance with relevant laws and regulations, including the Anti-Money Laundering Law, the Anti-Terrorism Crimes and Financing Law, their respective Executive Regulations, the implementation mechanisms for Security Council resolutions issued by the competent authorities, and the Personal Data Protection Law.
- 9.2** Confidentiality requirements apply to all information and procedures associated with the implementation of these Rules, particularly those related to screening procedures and controls, list management, handling and escalation of alerts, freezing, and unfreezing. Disclosure of any information concerning such persons or their frozen Funds to any party—internal or external—is prohibited, unless required by law and in compliance with the provisions of these Rules.
- 9.3** The Financial Institution must establish strict controls to maintain information confidentiality, including the use of secure communication channels through designated personnel, and raising awareness among its staff of their responsibility not to disclose any information.
- 9.4** Shall be subject to accountability in accordance with the provisions of relevant laws: anyone who neglects to impose or execute a freezing order against Listed Persons; anyone who makes available Funds or provides financial or other related services to or for the benefit of a Listed Person in violation of the provisions of these Rules and related Targeted Financial Sanctions instructions; anyone who fails to disclose information or discloses incorrect information intentionally or due to negligence, delays in providing information, or commits any other violations of the provisions of these Rules and related Targeted Financial Sanctions instructions.
- 9.5** The Financial Institution must take all measures to ensure its full compliance with the provisions of these Rules. The Authority will monitor and verify full compliance with these provisions through its supervisory and regulatory procedures. Sanctions stipulated in relevant laws and regulations will be applied in cases of negligence, dereliction, or non-compliance by Financial Institutions.
- 9.6** The Financial Institution shall monitor the website of the Standing Committee for Combating Terrorism and its Financing under the State Security Presidency (pctc.pss.gov.sa) to obtain information and updates regarding the implementation mechanisms of relevant Security Council resolutions, related Sanctions Lists, and relevant reports to broaden shared understanding.
- 9.7** The Financial Institution shall monitor the website of the Standing Committee for the Implementation of Security Council Resolutions issued under Chapter VII at the Ministry of Foreign Affairs (securitycouncil.mofa.gov.sa) to obtain information and updates including mechanisms for implementing relevant Security Council resolutions, related Sanctions Lists, necessary measures and procedures, and relevant reports and publications to broaden shared understanding.
- 9.8** These Rules shall enter into force as of the date of their publication on the Authority's website.



Thank you