

The role of government measures in combating money laundering crime in the State of Palestine

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Abstract: The present study aimed to identify the extent to which governmental measures contribute to combating money laundering crime in the State of Palestine. Therefore, the study predicted many variables that could provide an explanation of the reality of these government measures in reducing money laundering crime, by highlighting the effectiveness and adequacy of government measures and the challenges they face. The study adopted the descriptive analytical approach using the qualitative method to conduct interviews with the competent authorities in combating money laundering crime. Nine interviews were conducted in seven institutions specialized in this field. In addition to reviewing governmental procedures and laws regulating this crime. Ultimately, the study reported a number of significant findings and recommendations, the most prominent of which was noting that governmental measures keep pace with the requirements and processes of the times, such as making amendments to the money laundering law, as it is built according to international standards, but it is inevitable to say that it is not fully compatible with these standards, in order to be consistent with the local law. In addition, the results of the study showed that the level of effectiveness of government measures to combat money laundering crime is high, at a degree of 84%, despite this, efforts to combat money laundering in the State of Palestine are still unclear due to the lack of reports and statistics on the reality of this crime and the size of it and its spread in society. In addition, the level of adequacy of government measures to combat money laundering crime was also high at 83%, while the most prominent challenges may be represented in weak international cooperation and coordination to combat money laundering crime. The study also found the dissatisfaction of the civil society institutions represented by the Coalition for Integrity and Accountability for the strict governmental policies and measures followed in the State of Palestine, as they are not commensurate with the specificity of the Palestinian case. The study concluded by presenting several recommendations, most notably the need for the competent authorities to issue reports and studies that clarify the reality of the money laundering crime in the State of Palestine, the ways to combat it and the new methods that are used for money laundering.

Keywords: money laundering crime, adequacy of government measures, effectiveness of government measures, challenges.

1. Introduction

The crime of money laundering is an old phenomenon that has emerged since people needed to hide their illegal sources of income, and this crime has become more common in the modern era as a result of the emergence of more efficient methods in concealment operations, especially in light of the development of technology and electronic financing systems, and the use of computer networks that made the process of transferring money is very easy, and the main objective behind these operations is to hide the illegal source and give it the legal status and legal image. Therefore, the money laundering crime is considered one of the most dangerous modern economic crimes, as it represents a great challenge for financial institutions, which requires them to confront this crime and combat it with the most effective methods and patterns (Shaheen, 2009).

Given the seriousness of the money laundering crime, it should be noted that international efforts have united and urged countries to combat it, including the conclusion of international treaties and agreements represented by the United Nations conventions, which came under the name of the Vienna Convention and the Palermo Convention (Al Natsheh, 2018). It is noted that international efforts have joined forces to combat this crime, as, according to reports issued by the United Nations, it is found that the volume of money laundering operations has reached 2-5% of the global gross domestic product, which constitutes 300-400 billion dollars, and this indicates the need to subject this side to the necessary measures and laws to combat this illegal crime (Arabi, 2020).

In addition to the international efforts, interest appeared at the Palestinian level, where it addressed areas of weakness in its work and adopted many measures and policies to enhance the anti-money laundering environment, such as establishing a specialized unit to combat money laundering, and providing it with a qualified cadre, in addition to setting up a department specialized in strengthening field oversight (Mousa, 2021). In addition, the Palestinian Authority paid attention to this crime as it was criminalized for the first time in 2007 by virtue of a law to combat money laundering, after which the Anti-Money Laundering and Terrorist Financing Law No. 20 of 2015 and its amendments were issued to improve the effectiveness of combating these two crimes, and in 2019 the amending decision of the Anti-Money Laundering and Combating Financing of Terrorism Law No. 20 was issued (the Coalition for Integrity and Accountability - AMAN, 2021).

The crime of money laundering is one of the economic crimes that constitute a source of concern and danger in the Palestinian legal system. Despite the extreme difficulty in determining the extent and damages of the crime of money laundering in the Palestinian National Authority region, it is possible to rely on what was stated in the study of the Coalition for Integrity and Accountability - AMAN and the report of the National Observatory of Corruption Indicators, which indicated that the percentage of complaints that were legally classified as a money laundering crime was 0.1% with the Palestinian Anti-Corruption Commission (National Observatory for Corruption Indicators, 2021). While the study of the Coalition for Integrity and Accountability - Aman showed that the rate of money laundering exceeded 6% of the GDP in the areas of authority (Mousa, 2021).

In this regard, a study by AMAN revealed that the strategy of the National Anti-Money Laundering Committee is still without an executive plan, and this limits the combat against money laundering crime in the sectors targeted by money launderers, such as real estate and financial companies, where there are no clear procedures and mechanisms regarding the implementation of the strategy among the various entities among the various concerned and related parties, the rate of implementing of the strategy on the ground is very small (Coalition for Integrity and Accountability - Aman, 2021).

Based on the foregoing, the problem of the study lies in answering the following question: To what extent do government measures contribute to combating money laundering crime in the State of Palestine?

The study questions

1. What are the governmental measures in combating money laundering crime in the State of Palestine?
2. How effective are government measures in combating money laundering crime in the State of Palestine?
3. What is the adequacy of government measures in combating money laundering crime in the State of Palestine?
4. What are the challenges facing the measures to combat money laundering crime in the State of Palestine?

The study hypotheses

1. The effectiveness of government measures to combat money laundering crime is considered high.
2. There are sufficient government measures to combat the crime of money laundering to a high degree.
3. The most prominent challenges are represented in the weakness of international cooperation and coordination to combat the crime of money laundering.

Significance of the study

The importance of the study lies in the role played by the money laundering crime in disrupting the economy of countries, as estimates indicate that the money laundering crime has reached 6% of the Palestinian GDP, equivalent to \$15 billion (Al-Quds, 2021). Hence, the importance of effective government measures to combat this crime and limit its effects must be highlighted. The results of this study will serve as a feedback to decision-makers to assess the level of effectiveness and adequacy of government measures to combat this crime and the reform it needs. The recommendations of the study will be rich with ideas and solutions aimed at improving and developing government procedures in a country living under occupation.

Previous studies

The study of The Coalition for Integrity and Accountability (2021), entitled *The Reality of Combating Money Laundering and the Implementation of the National Anti-Money Laundering Strategy*. The study concluded that the strategy of the National Anti-Money Laundering Committee is still without an executive plan, and this is what limits the fight against money laundering crime in the sectors targeted by money launderers, such as real estate and financial companies.

The study of Muzahidia (2021), entitled *Combating Money Laundering Crimes in Algeria: Reality and Solutions*. The study concluded that electronic solutions are among the most effective methods used to combat money laundering, in addition to the Algerian government preparing many legal procedures to curb this phenomenon, but these procedures still at the beginning.

The study of Al-Kafarneh (2020), entitled *A Legal Treatment of the Money Laundering Phenomenon in the Palestinian Case*. The study concluded that there are technical and skills shortcomings and a lack of experience among the employees who are responsible for combating money laundering.

The study of Duwaidi and Kattawi (2020), entitled *Preventive Measures to Prevent Money Laundering Operations*. The study concluded that prevention is a proactive procedure to the occurrence of a money laundering crime, which is tantamount to preventing its development and expansion, and institutions follow many preventive measures under the heading of internal control.

The study of Al-Sharif and Bouat (2019), entitled *Legal Mechanisms to Combat Money Laundering and Terrorist Financing in Algerian Legislation*. The study concluded that the phenomenon of money laundering is a global phenomenon, whose activity is increasing in countries that are going through the stage of economic reform, especially in light of globalization.

The study of Khater (2018), entitled the crime of money laundering and ways to address it. The study concluded that the procedures and methods used to combat money laundering crimes will not work, unless there is an international cooperation, and recommended the need to enhance awareness among all relevant bodies and institutions.

The study of Al-Sharqawi (2017), entitled "The Legal Framework for the Crime of Money Laundering in Moroccan Legislation" concluded that the Moroccan Anti-Money Laundering Law has undergone many amendments, with the aim of filling legal gaps and responding to international recommendations in this aspect.

The study of Mujahidi (2015), entitled "The Legal Nature of Money Laundering Crime" concluded that the crime of money laundering is considered a serious financial crime, as it embodies the living model of transnational organized crime, as there is no place in the world where money laundering operations are not carried out.

The study of Farrouhat (2015), entitled Preventive and Repressive Measures to Combat Money Laundering in Algeria, concluded that the preventive measures followed by Algeria are not feasible at the required level, unless there is international cooperation and coordination of efforts and legal procedures.

The study of Lawarem (2011), entitled "The Legal Structure of White Crime" The Crime of the Age "Money Laundering". The study concluded that although the Algerian legislator, similar to the legislators in the world, has defined the legal framework for the crime of money laundering, the lack of experience in ways to detect laundering among workers still constitutes a major obstacle in the face of combating money laundering.

The study of Mayala and Mahrezi (2009), entitled "The Legislative Framework for the Crime of Money Laundering in Syria". The study aimed to define the crime of money laundering, and to clarify its basic elements and punishment, in addition to the efforts of the Syrian state in combating it. The study concluded that the money laundering crime is one of the most dangerous financial crimes with negative repercussions on the economy and society.

The study of Al-Rafati (2007), entitled "Anti-money laundering operations and the impact of commitment to them on the effectiveness of the activity of banks operating in Palestine" concluded that anti-money laundering measures protect banks from legal accountability, but these procedures resulted in customers' complaints, and recommended the need to provide advanced courses for employees involved in the fight against money laundering.

The study of Cotoc et al (2020) entitled "Anti-money laundering effectiveness from the perspective of the legal framework in Romania and European countries" concluded that the measures taken at the national level must be compatible with other measures taken in international organizations, and there is importance for special regulations to prevent and combat money laundering in the banking system.

The study of Perera (2018) entitled "The Legal Framework for Combating Money Laundering in Sri Lanka". The study found that although Sri Lanka is a member of many regional and international anti-money laundering regimes, it still lacks regulations regarding the financing of non-governmental organizations (NGOs), trust funds and charities that receive large sums of money anonymously. Therefore, continuous supervision of transactions and money laundering methods is a must.

The study of Paredes et al (2007) entitled "Components and Legal Framework for Anti-Money Laundering and the Current Status, Problems and Solutions of the Funds Confiscation System" concluded that in order to combat money laundering, participating countries must have strong substantive and procedural laws against it.

The study of Carrington, and shams (2006), entitled "Elements of an Effective Framework for Combating Money Laundering and Terrorist Financing: Legal, Regulatory and Best Institutional Practices to Prevent Threats to Financial Stability and Integrity" found that countries need to establish legal frameworks that

enhance access to relevant information and remove the obstacles to the flow of this information in cooperation with all public and private sectors.

Commenting on the previous studies

Most previous studies have concluded the need to increase international cooperation and coordination to combat money laundering crime, in addition to the need to reconsider the legal systems for combating money laundering crime to fill legal loopholes and reduce this crime. The researchers note that this study is consistent with previous studies in its main subject and objective. The general idea is to combat money laundering, but it differs from it in several aspects, which is the conduct of this study in the State of Palestine - the West Bank. The tools of this study were varied, including content analysis and interviews, in order to collect data more accurately. Moreover, the studies did not address the adequacy and effectiveness of government measures to combat money laundering crime and the challenges facing government measures to combat money laundering crime in particular and in detail. This study complements the studies that preceded it and is distinct from it in that the state of Palestine is exceptional, as it does not have any full control over its external borders, and this represents an obstacle to the legal and actual capabilities of the state of Palestine. All of this made this study a reason to add a new science to this field.

2. Method

Theoretical framework

Dependent variable: the concept of money laundering crime.

It is clear that the concept of money laundering crime is nothing but the re-use of illegal funds in legitimate fields as investment channels to appear in the form of legitimate investment funds, and this is intended to conceal the illegal source of assets obtained or derived from criminal activities to hide the link between the funds and original criminal activities (IMF, 2016). The money laundering process goes through three stages before it reaches its final form, namely recruitment, coverage, and integration. The aim of the recruitment stage is to remove all suspicions of the illegal sources of funds by employing them in foreign or local financial companies or savings institutions. As for the coverage stage, it includes finding a group of transactions with the aim of concealing the first transaction, and in the end, the stage of consolidation, in which the funds are given the legal and authorized status (Al-damagh & Husnia, 2021).

The reality of the money laundering crime in the State of Palestine:

Despite the extreme difficulty in determining the extent and damage of money laundering crime in the Palestinian National Authority, it is possible to rely on what was stated in the report of the National Monitor for Corruption Indicators, which indicated that the percentage of complaints that were legally classified as a money laundering crime amounted to 0.1% with the Anti-Corruption Commission Palestinian Corruption (National Observatory for Corruption Indicators, 2021). It can be said that the criminal activities related to money laundering in the area of the Palestinian authority are almost limited to smuggling corrupt goods, weapons and goods, car theft, drug smuggling and smuggling of valuable goods such as electronic devices to the black market (Al-Shaher, 2009). In addition to what results from corruption represented in bribery, exploitation of public funds and illegitimate interests caused by public functions. It is estimated that approximately 300 million US dollars annually, which is equivalent to 6% of the gross domestic product, is the amount of money laundering in the Palestinian National Authority region, and this percentage is commensurate with the rates prevailing in the countries of the world (Abdul Karim, 2008). In general, there

has been an increase in the number of suspected money laundering crimes over the past years, as the number of suspected cases was 52 cases in the Financial Follow-up Unit in 2012, while these cases increased in 2016 to reach 129 cases. That there is a high increase in the number of cases received by the Financial Follow-up Unit (Coalition for Integrity and Accountability, 2021). This is due to the fact that the crime of money laundering is a phenomenon that exists in Palestinian society, and this shows the urgent need to increase the number of cadres responsible for combating this crime and train them to improve the tools used in analysis (Quds News, 2021).

Second: The independent variables

The first independent variable: governmental actions in combating money laundering.

The National Authority in Palestine has taken a number of measures to combat money laundering crime through the establishment of a financial follow-up unit specialized in combating money laundering, in order to improve the level of anti-money laundering procedures and activate local cooperation with all competent authorities. This unit is based on implementing the policies and instructions of the National Anti-Money Laundering Committee. It is useful to address the government's measures to enhance the communication of government institutions and ministries with banks and their submission to the Ministry of Interior in order to combat money laundering, as well as for the Monetary Authority to increase awareness of the risks of money laundering and the need to adhere to international standards and enhance collective action for all institutions (Mousa, 2021). In addition, the government has put in place a number of precautionary measures to combat the crime of money laundering, which are represented in internal controls and due diligence procedures towards clients, staff training, document preservation, reporting of suspicious activities, and risk-based classification of clients (Anti-Money Laundering Unit, 2016).

To include government procedures, it is necessary to address the money laundering law, which discussed this issue, set the controls to be followed in combating money laundering, and set the procedures and competencies that must be carried out to combat this crime. In line with that, in 2007, a decree was issued to combat money laundering, which consisted of 50 articles and two annexes. This law decree clarifies the acts that constitute the money laundering crime. Money laundering is defined in the text of Article 2 as acts through which the identity of funds obtained from illegal fields is concealed or replaced and given a legal and legitimate character to appear legitimate (Abdul Karim, 2008). Article (2) defines the crime of money laundering from the Palestinian Anti-Money Laundering Law No. 20 of 2015 and clarifies the actions that constitute the crime of money laundering, while the second chapter discusses transparency and the obligations of the competent authority, record keeping, introduce traders to customers, disclose information, and restrict filing criminal cases and transfers and the responsibility of financial institutions (Abdel-Jawad, et al., 2017). Then the third chapter was followed to talk about the establishment of the National Committee for Combating Money Laundering and Terrorism Financing, while the fourth chapter stipulated the establishment of an independent unit in order to follow up on the money laundering crime and it is called the Financial Follow-up Unit affiliated with the Palestinian Monetary Authority, and attached to it is receiving suspicious cases, analyzing and verifying them and issuing conclusions based on it based on the provisions of the law (Institute of Law at Birzeit University, 2016), in addition to the freedom to exchange information with the supervisory authorities concerned with combating money laundering, in a manner that does not conflict with the current laws in the Palestinian territories. Moreover, chapter Five deals with the disclosure of funds and the duty of the Customs Department to seize undisclosed funds upon entering the State of Palestine and chapter six deals with penalties and exemptions, whereas chapter seven provides for final provisions, information exchange, banking secrecy regulations, and the issuance of secondary legislation and its entry into force (Abdel-Jawad, et al., 2017).

The second independent variable: the effectiveness of governmental measures to combat money laundering crime.

Although every country can pass some laws in order to effectively combat money laundering crimes in order to reach the goal and end of reducing this crime. However, in general, it is the responsibility of the competent institutions, especially the financial sector institutions, to ensure that internal controls are strengthened and strict, and that the necessary laws and procedures are taken with all new and existing clients and that suspicious transactions are reported to national authorities (Isrin et al., 2005). Local cooperation and coordination is one of the most important elements of the anti-money laundering and terrorist financing system, because in addition to other bodies working in the field of combating money laundering and terrorism, the supervisory authorities must strengthen their cooperation and coordination with each other (FATF, 2021). In addition to the need for countries to cooperate with each other to develop a mechanism to enable relevant authorities to coordinate, formulate and implement Anti-money laundering and terrorist financing policies and activities locally so that these authorities can implement these policies at the operational level (The International Bank for Reconstruction, 2003). Local cooperation and coordination varies to include monitoring methods and mechanisms (internal audit mechanisms, mechanisms for taking measures to address deficiencies and mechanisms for taking measures in case of breach of obligations), and the exchange of information related to this crime, all of which makes the combat against this crime more effective (Arab Monetary Fund, 2015).

While the effectiveness of governmental measures in the State of Palestine, in particular, lies in the development of strong policies and procedures with the aim of detecting and reporting cases of money laundering, and there are laws that limit this crime as Articles (19) and (20) of the Decree-Law of 2015, in addition to the amendments under Decree-Law No. (13) of 2016 and subsequent amendments to criminalize money laundering, and a specific body has been designated to combat this crime in the State of Palestine, which is the Financial Follow-up Unit, which investigates suspicions of this crime (The National Bank, 2020).

The third independent variable: Adequacy of government measures to combat money laundering crime.

From a legislative point of view, these laws are appropriate, good, sufficient, and to some extent compatible with the Anti-Corruption Agreement. However, the division prevented the institutional framework entrusted with combating this crime from operating in the Gaza Strip. The Anti-Corruption Agency in the Gaza Strip does not apply the money laundering crimes law, and the law agrees that there is no law in the Gaza Strip to cover this crime. Unfortunately, there is no legal framework regulating it (Al-Kafarna, 2020).

The current Palestinian legislation in the State of Palestine related to the crime of money laundering is sufficient, but it needs more, as it is relatively consistent with the obligations stipulated in the United Nations Convention, but measures must be taken to strengthen and develop governmental procedures to be more compatible with international legislation, and this requires the issuance of a penal law that is consistent with the agreements in which the State of Palestine has participated (Ministry of Justice, 2019).

The fourth independent variable: Challenges Facing Anti-Money Laundering Crime Measures

The most important challenges facing the procedures for combating money laundering crime appear in the insufficiency and variance of special legislation to combat this crime, and this in turn leads to thwarting efforts to confront the crime of money laundering (Al-Hiyasat, 2009). In this context, there are many external obstacles, which are represented in the lack of international cooperation in the areas of legal aid, in addition to the obstacle of the principle of sovereignty, which results in the obstacle to extradition of criminals, not to mention that there are internal obstacles that appear in the weakness of the supervisory bodies in banks, and the lack of experience and qualification of banks staff to detect money laundering crimes, as well as the

absence of a modern information system that keeps pace with developments and the lack of regulation of cash dispatch procedures. In addition, it must be said that there is an obstacle to the difference in internal legislation between countries with regard to the crime of money laundering, and to agree on a unified definition of this crime (Waltash, 2015). In addition to the specificity of the Palestinian case, which does not allow the existence of obstacles that would deter investors from anti-money laundering motives, and therefore the Palestinian situation does not need the existence of an independent law as the rules and policies are sufficient to curb this crime. Moreover, the countries are still not cooperating and committed to the recommendations of the Financial Action Task Force (FATF). Finally, it is necessary to point out the challenge of the continued existence of various methods of money laundering that exploit legal loopholes (Al-Rafati, 2007).

Methodology

The study design

Since the study aims to know the practical reality of combating money laundering crime by identifying the effectiveness and adequacy of government procedures and the challenges that impede limiting this phenomenon, it was more appropriate to use the descriptive analytical approach, by relying on the qualitative method to conduct interviews with specialists in institutions concerned with combating money laundering crime.

The study population

Since the study is related to the crime of money laundering, it is obvious that the study population includes all the institutions concerned and specialized in combating this crime. Based on that, and through research, investigation and in-depth study, we find that the institutions that are able to answer the study questions are limited institutions, which, according to the researchers' knowledge, are limited to the Coalition for Integrity and Accountability - AMAN, Anti-Corruption Commission, Ministry of Justice, Financial Follow-up Unit, Palestinian Monetary Authority, Capital Market Authority, Public Prosecution, Ministry of Economy, Customs Department in the Ministry of Finance, Ministry of Interior, Independent Commission for Human Rights, Association of Banks Courts, General Secretariat of the Council of Ministers.

The study sample

Due to the difficulty of conducting a survey for all institutions specialized in combating money laundering due to COVID-19 pandemic, which limits the ability to conduct interviews with the persons concerned, the purposive sample was adopted by conducting (9) interviews with specialists in (7) institutions, These are the Ministry of Economy, the Ministry of Justice, the Coalition for Integrity and Accountability - AMAN, the Palestinian Monetary Authority, the Financial Follow-up Unit, the Anti-Corruption Authority, the Capital Market Authority (three people were interviewed in the authority). In order to complete the study procedures, explore the opinions of the target sample, and reach feasible results that benefit the entire community.

The study tools

The study tools were represented by the use of interviews, where the interviews were designed in a comprehensive manner for the variables, dimensions and domains and as a more appropriate way to answer the questions and hypotheses of this study. The structure of the interview included three main domains represented in the effectiveness and adequacy of government procedures and the challenges facing anti-money laundering crime measures. The effectiveness domain included (7) closed and open-ended questions in order to fully cover the aspects of the domain, while the adequacy domain included (5) closed questions and two open questions. In addition, the challenges domain included one open question to unleash the experienced

people in expressing their opinions and sensing the most important challenges that stand in their way, in addition to using a content analysis method to answer the first study question related to government measures to combat money laundering crime, by referring to the instructions, policies and laws regulating these crime in Palestine.

3. Findings and Discussions

The following table has been adopted to interpret the percentages of confidence intervals in correcting the interview statements:

Table 1: the interpretation of the percentages of confidence intervals in correcting the corresponding paragraphs

Percentage	Degree
Less than 50%	Very low
50% - 59%	Low
60% - 75%	Moderate
76% - 89%	High
90% or more	Very high

Source: Author's findings

Results related to the first study question: "What are the governmental measures in combating money laundering crime in the State of Palestine?"

The State of Palestine has made many efforts in order to combat money laundering crime. It has developed many procedures, instructions and laws that combat money laundering crime. The State of Palestine has sought to follow precautionary measures to combat money laundering at the institutional level, which include the many activities represented in internal controls and due diligence procedures. Coordination and cooperation between the competent institutions to combat this crime, reporting suspicious activities, monitoring, training employees, spreading and promoting awareness about this crime, keeping documents, accepting and rejecting policy, and classifying clients on the basis of risk.

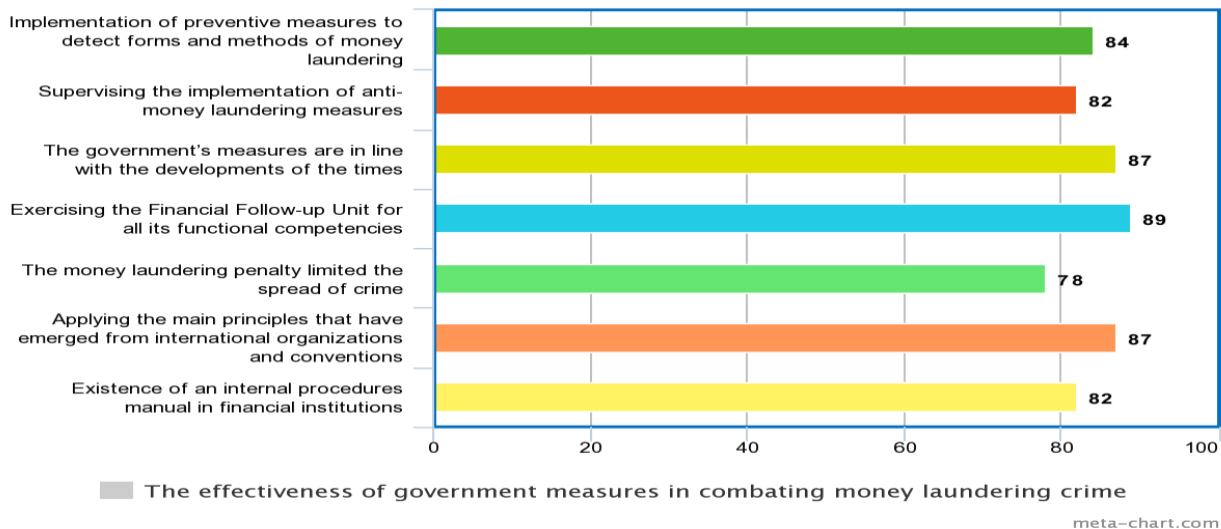
On the other hand, there are many procedures that have been established under the Money Laundering Law, as the 2007 law on combating money laundering crime was issued, and in 2010 amendments were made regarding the Illicit Gain Law, which confirms money laundering crimes in Article (4), and regarding after a decision was issued by Law No. (20) of 2015 to combat the crime of money laundering and the financing of terrorism, followed by that in 2016, amendments were issued regarding Resolution of Law No. (20) of 2015,. Later, the crime of money laundering was linked to corruption crimes through a definition in the Anti-Corruption Law In 2018, Article (1), followed by the issuance of amendments to the decision regarding the anti-money laundering law in 2019, but this is still under discussion. Moreover, there are many instructions and regulations for combating money laundering issued by the Palestinian Monetary Authority. By reviewing

the laws, we may notice that there are many amendments that have been made to some articles in the money laundering law, not to mention the amendments that are being implemented and discussed in the current period, and this, if anything, indicates that the law keeps pace with modern developments, and that would reduce legal loopholes and Keeping abreast of the new practices used in money laundering operations resulting from modern developments. It is necessary to emphasize that the money laundering law is based on international standards, but it is unavoidable to say that it is not fully compatible with these standards in order to be consistent with the local law. Perhaps it is useful to emphasize the law's attention to allocating a unit specialized in combating money laundering crime, which is called the Financial Follow-up Unit, which examines in particular the requirements of this crime and submits its reports to the Public Prosecution and the courts. We do not fail to note the existence of responsible official bodies for combating the crime of money laundering. These authorities exercise their powers according to the tasks entrusted to them by law. The most important of these bodies appear in the National Committee for Combating Money Laundering and Terrorist Financing, financial institutions, non-financial businesses and professions, the Customs Department and others.

From another angle, it is noted that the penalties imposed on the crime of money laundering are not limited to fines, as they exceeded that to reach imprisonment, and this is its role to constitute a deterrent tool. In addition, these penalties are still among the amendment proposals that are being worked on in the current period, as this leaves room for doubt. In the extent of its deterrence of these penalties. Of course, it would be desirable to work to increase coordination between local and international institutions and bodies to exchange information and extradite criminals. It is inevitable to shed light on the need to address existing legal loopholes in line with international conventions, and to take seriously the recommendations of the competent authorities. At the beginning of the conversation, the question remains about what are the challenges facing the fight against money laundering and the adequacy and effectiveness of government procedures, and this is what will be discussed later.

The results related to the second study question

Figure (1). Effectiveness of government measures in combating money laundry crime



To answer the second study question, "How effective are government measures in combating money laundering crime in the State of Palestine?" From the point of view of the institutions and stakeholders that

were mentioned in the sample, the researchers developed (7) statements to be evaluated by each institution, giving notes and reasons, in addition to examples to support the answer, and an open question was also developed to allow for more expression and to cover the topic from all sides. Accordingly, the answers showed that the effectiveness of government measures to combat money laundering is high at 84%, which means that the hypothesis is accepted.

Figure (1) shows that the statement that states, “The Financial Follow-up Unit effectively exercises all the competencies and tasks stipulated by the law” achieved the highest degree with a percentage of 89%, and this is due to the Financial Follow-up Unit exercising all the powers and competencies assigned to it by virtue of Law No. For the year 2015 regarding combating money laundering, including the following: A- Receiving and requesting information from entities subject to the provisions of the law regarding operations suspected of involving money laundering operations. B- Analyzing the information related to the suspicious operations mentioned in statement (a). C- Receiving reports on internal and external financial operations such as deposits and cash transfers to and from Palestine and other reports.

In addition, figure (1) shows that the statement stating that “the penalty for money laundering stipulated by law limited the spread of this crime” got the lowest degree at a rate of 78%, but this does not mean that it is ineffective, as it is related to the same phenomenon, and it is obvious that there are laws criminalizing this phenomenon, in addition to measures and instructions that limit the spread of money laundering crime, and we cannot fail to note that the law is being amended at the present time.

As for the effectiveness of government measures, the other aspects mentioned in the above figure are highly effective. There is no doubt that there are special policies and procedures in combating money laundering in financial institutions subject to the control and supervision of the Monetary Authority, represented by the institutions of the following sectors: A- Banks. B- The cashiers. C- Specialized lending institutions. D- Payment services networks. Each of these parties is required to prepare policies and procedures for combating money laundering in accordance with the laws and requirements in force and to be updated periodically if necessary, but the question remains about the existence of internal policies and procedures in other institutions.

On the other hand, it must be pointed out that the government measures keep pace with the current trends on the part of the money laundering law, as it is built according to international standards, but it is inevitable to say that it is not fully compatible with these standards in order to be consistent with the local law.

It must be emphasized that there is oversight over the implementation of special government measures in money laundering, as the financial control unit is subject to monitoring means in the state with regard to the aspect of performance control and is subject to oversight according to public principles, and its reports are referred to the Public Prosecution and the courts. On the other hand, the Monetary Authority has worked to establish a specialized department to combat money laundering crime, and it has been supported by a specialized cadre with expertise and certificates in the field of money laundering. The department follows up on the compliance of the financial institutions subject to the supervision of the Authority, using the tools of office analysis and on-site inspection.

Of course, government procedures have been applied to detect the forms and methods through which money laundering is carried out. In the event that there are reasonable grounds for financial institutions subject to the supervision of the Monetary Authority, it is suspected that the activities of customers or financial operations are involved in committing a money laundering crime or any of the original crimes stipulated by a decision By Law No. (13) of 2016. According to the specific and approved reporting mechanisms, financial

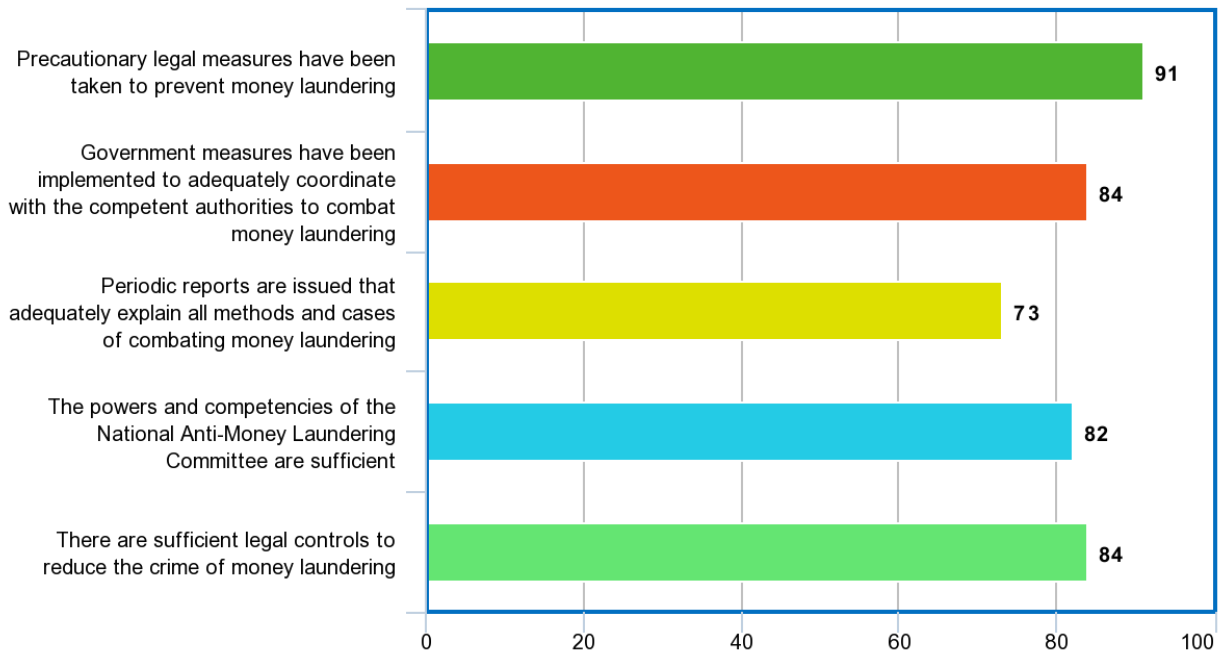
institutions report in this regard, and therefore the Financial Follow-up Unit, after studying and analyzing those reports, forwards them to the prosecution to take the appropriate legal requirement, and the financial operations of clients' accounts are monitored automatically according to specific indicators, according to which alerts are given about unusual operations that are not commensurate with the customer's activity. In addition, the unit feeds back the units and financial institutions to help discover crime and ways to combat it.

Based on that, the respondents referred to the effective governmental measures in the State of Palestine to combat the money laundering crime, which were as follows:

1. Regulatory authorities have established supervisory positions to monitor compliance with the Money Laundering Law.
2. The supervisory authorities shall issue instructions and measures to regulate the work of financial institutions in the field of anti-money laundering commitment and prevent their use by criminals.
3. The law grants the authority to the competent supervisory authorities and financial institutions to submit suspicious reports to the Financial Follow-up Unit of committing money laundering crimes.
4. The law grants the Public Prosecution the power to investigate money laundering crimes and refer them to the competent court.
5. Funds and assets obtained from money laundering crimes shall be criminalized and confiscated, and the perpetrator shall be convicted of the penalties stipulated in the law, pursuant to a judicial decision.
6. The institutions themselves are required to understand and identify the risks of money laundering and apply the risk-based approach in addition to applying the requirements of due diligence to identify the customer and verify the sources and legitimacy of funds.
7. Regulatory bodies at a national level, each within its jurisdiction, exercise the tasks assigned to them under the law. The National Committee draws up policies and issues instructions for money laundering, and this will raise the effectiveness of combating this crime.
8. A regulation was also issued by the Council of Ministers to supervise the trade and goldsmiths of precious metals and gemstones to combat the crime of money laundering.

Results related to the third study question

Figure (2). Adequacy of government measures in combating money laundry crime



■ The adequacy of government measures in combating money laundering crime

meta-chart.com

To answer the third study question, "What are the adequacy of government measures in combating money laundering crime in the State of Palestine?" From the point of view of the institutions and stakeholders that were mentioned in the sample, the researchers developed (5) statements to be evaluated by each institution, giving notes and reasons, in addition to examples to support the answer, and two open questions were also developed to allow for more expression and to cover the topic from all sides. Accordingly, the answers showed that the effectiveness of government measures to combat money laundering is high at 83%, which means that the hypothesis is accepted.

Figure (2) shows that the statement stating that "Precautionary government measures have been taken to prevent money laundering." was at the highest degree, at a rate of 91%, this is due to the fact that financial institutions were asked to take the necessary measures to combat crimes that fall under money laundering crimes, including refraining from dealing with criminals and setting automated controls that ensure that no financial operations are carried out in their favour.

In addition, figure (2) shows that the statement "Periodic reports have been issued explaining all methods, mechanisms and cases to combat money laundering adequately and in accordance with the provisions of the law." obtained the lowest degree, at a rate of 73%, this does not mean that there are no reports explaining the methods, as there are statistics and reports explaining the methods and means of money laundering. However, they are for internal use and are not disclosed, and therefore none of the reports that clarify the reality of money laundering in the State of Palestine are published.

Through conducting the interviews, it was concluded that the government's anti-money laundering measures are sufficient to a very large extent, with the need to make simple amendments to ensure the achievement of

technical compliance with the forty recommendations related to the crime of money laundering, and to pursue technological and economic development and the development of commercial methods and money circulation.

It is possible to work to enhance the adequacy of government measures to combat money laundering crime by addressing several measures, the most important of which are:

1. The necessity of reviewing the extent of the current law's compliance with the forty recommendations and the requirements of the countries' evaluation methodology for these recommendations.
2. Benefiting from the experiences of countries and familiarizing themselves with the regional and international laws that deal with the crime of money laundering.
3. Reviewing government legislation and procedures and keeping pace with international agreements and best practices.
4. Strengthening law enforcement and international cooperation for extradition.
5. Intensify the training of employees to monitor compliance.
6. Developing internal control systems for financial and other institutions, and raising model regulations to be used.

Results related to the fourth study question, "What are the main challenges facing the measures to combat money laundering in the State of Palestine?" The main obstacles that were mentioned by the respondents were as follows:

1. The absence of the Legislative Council and its non-convening, but it is unavoidable to say that in spite of this, the law grants the president the power in case of emergency to issue a decree by law, and this requires re-reviewing these laws when the parliament convenes.
2. Failure to take into account the Palestinian reality, as these strict methods and policies do not consider a local need, and this is what has resulted in dissatisfaction by clients of financial institutions towards the repeated suspicions of money laundering operations in any of the unusual movements, which may be from legitimate sources, i.e., Selling a plot of land, inheritance, or something else.
3. The lack of sufficient awareness of the money laundering crime.
4. Absence of sound legislative policies to deal with the issue of combating money laundering.
5. The lack of international cooperation and coordination to adequately combat the crime of money laundering.

According to these challenges, the respondents unanimously agreed on the challenge of weak international cooperation and coordination to combat money laundering crime, which means accepting the hypothesis.

Conclusion

The results of the study, according to the reviewed policies, procedures and laws related to combating money laundering, show that there are many amendments to some articles in the money laundering law, not to mention the amendments that are being implemented and discussed in the current period. This would reduce existing legal loopholes and keep pace with the new practices used in money laundering operations resulting from modern developments. It must be emphasized that the money laundering law is based on international standards, but we must note that it is not fully compatible with these standards in order to be consistent with local law.

As the results of the study showed, the level of effectiveness of government measures to combat money laundering crime is high, at a degree of 84%, which means that there are effective procedures, policies, laws and instructions in this aspect by the competent authorities in combating money laundering crime. Based on what has been mentioned, the regulatory authorities at the national level, each within its competence, exercise the tasks assigned to them by law and effectively. For example, the supervisory authorities issue instructions and measures to regulate the work of financial institutions in the field of commitment to combat money laundering and prevent its use by criminals, in addition, Suspicion reports are submitted to the Financial Follow-up Unit, which in turn investigates, collects information, analyzes reports and forwards them to the Public Prosecution to take the appropriate legal requirement. However, despite this, according to the results shown by the study, it was found that the level of publishing periodic reports that explain all the methods, mechanisms and cases of combating money laundering got the lowest degree, with a rate of 73%, which is not at the required level, but this does not mean that there are no reports that clarify the methods where there are statistics and reports explaining the methods and means of money laundering, but they are for internal use and are not disclosed, and therefore none of the reports that clarify the reality of money laundering in the State of Palestine are published.

In addition, the results of the study shed light on the level of adequacy of government measures to combat money laundering crime, which also came to a high degree at 83%, but requires making simple adjustments to ensure the achievement of technical compliance with the forty recommendations related to the crime of money laundering and the pursuit of technological and economic development and the development of commercial methods and circulation money. It is necessary for us to address in this study the most prominent challenges, which were represented in the weakness of international cooperation and coordination to combat the crime of money laundering, in addition to the lack of sufficient awareness towards the crime of money laundering, and not to mention that there was dissatisfaction on the part of the civil society institutions represented in Coalition for Integrity and Accountability - AMAN regarding the strict policies, procedures, and regulations adopted in the State of Palestine, as they do not fit the specifics of the Palestinian case. The study concluded that there has been an increase in the number of suspected cases of money laundering over the previous years. In 2012, the number of suspected cases reached 52 suspected cases reported to the Financial Follow-up Unit, and increased in 2016 to reach 126 suspected cases, In line with the findings of the study that it did not deter money laundering punishment to a very high degree, where the percentage of the penalty limit for money laundering crime reached 78%.

Perhaps it is useful to conclude the study with the following recommendations: The need for the competent authorities to seek to issue reports and studies that clarify the reality of the money laundering crime in the State of Palestine and the ways to combat it and the new methods that are used for money laundering, unify efforts to combat the crime of money laundering and increase coordination between the competent authorities and the Financial Follow-up Unit to combat this crime. Increasing the effectiveness of combating money laundering in the State of Palestine, and the need to review the extent of the current law's compliance

with the forty recommendations and the requirements of the countries' evaluation methodology for these recommendations. Benefiting from the experiences of countries, getting acquainted with regional and international laws that deal with the crime of money laundering, strengthening law enforcement and international cooperation for extradition by increasing coordination with countries, intensifying the training of employees to increase their skills in detecting money laundering methods and monitoring compliance, and constantly striving to develop internal control systems for financial institutions, etc., and raise model regulations to be used. In addition to the need to secure and provide rapid communications between financial institutions to facilitate follow-up of suspicious operations, and to increase international coordination and cooperation to combat money laundering, the study also recommends the urgent need to spread awareness and culture of the legislative frameworks governing this issue

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