



Yemen Financial Information Unit

Annual Report

2025

www.fiu-ye.com



Republic of Yemen

Aden - P. O. Box No. 452



www.fiu-ye.com



info@fiu-ye.com

Table of Contents

FIU Chief's Message	4
FIU Establishment.....	7
FIU Organizational Structure.....	10
Competencies of the Financial Information Unit.....	11
Training and Capacity-Building	14
Local Coordination and International Cooperation	17
A- Local Coordination.....	17
<i>Enhancing Coordination with Regulatory and Supervisory Authorities.....</i>	<i>17</i>
<i>Coordination Meetings and Their Outcomes.....</i>	<i>17</i>
<i>Development of Regulatory and Legislative Frameworks.....</i>	<i>17</i>
B- International Cooperation	18
<i>International Participation and Regional Cooperation.....</i>	<i>18</i>
<i>Technical Assistance and Legislative Development.....</i>	<i>19</i>
<i>Information Exchange and Response to International Requests.....</i>	<i>19</i>
<i>Efforts to Accede to the Egmont Group and Memorandum of Understanding.....</i>	<i>19</i>
Information Technology	20
Legal Affairs and Compliance Verification.....	24
Legal Affairs.....	24
<i>Control and Compliance Verification.....</i>	<i>25</i>
<i>Regulatory Framework and Operational Methodology</i>	<i>25</i>
<i>Development of Inspection Tools and Methodologies</i>	<i>26</i>
<i>Raising Awareness and Capacity Building During Inspection Operations.....</i>	<i>26</i>
On-Site Inspection and Compliance Verification	27

<i>Periodic Inspections</i>	27
<i>Ad Hoc On-Site Inspections</i>	27
<i>Assessment of Requests for Foreign Currency Remittance</i>	28
<i>Off-Site and On-Site Inspections on Exchange Entities and Facilities</i>	28
Suspicious Transaction Reports and Financial Analysis	30
Statistical Data.....	33
<i>Table showing the total number of STRs and Queries received by the FIU from 2023 -2025</i>	33
<i>Table showing the total number of incoming and outgoing cases of the (FIU) by case type from 2023-2025.....</i>	34
<i>Table showing the distribution of local incoming STRs by the reporting entity from 2023-2025.....</i>	35
<i>Table displaying the distribution of the incoming STRs to the FIU by the suspicion type from 2023-2025.....</i>	36
<i>Table showing the distribution of incoming STRs to the FIU by the action taken during 2025.....</i>	37
<i>Table presenting FIU incoming queries (Local and Foreign) by suspicion type from 2023-2025.....</i>	37
<i>Table displaying the distribution of queries by type and source of query from 2023 - 2025.....</i>	38
Comparative Statistics of Suspicious Transaction Reports for the Period from 2024-2025.....	39
Analysis by the number of STRs.....	39
Analysis by the reporting entity.....	40
Feedback provided by the FIU to the reporting entities.....	41
Conclusion.....	42

FIU Chief's Message

In the name of Allah, the Most Gracious, the Most Merciful

This Annual Report of the Financial Information Unit (FIU) for the year 2025 is issued at a critical phase experienced by the Republic of Yemen, characterized by complex economic, financial, and security challenges that have cast their shadow over various state institutions, foremost among them the entities entrusted with protecting the financial system and combating financial crimes.

Despite these challenges, the FIU has continued to perform its legal and technical mandates with a high degree of responsibility, through integrated institutional efforts aimed at strengthening the framework for combating money laundering and terrorism financing, and at preserving the integrity and stability of the national financial system.

The FIU has received continuous and sustained support from the leadership of the Central Bank of Yemen. This support has been manifested in the approval of its annual budget and the enhancement of its operational independence, thereby enabling it to continue executing its competences and fulfilling its national role in receiving suspicious transactions reports (STRs) from the relevant authorities, conducting financial analysis, responding to local and international queries, and coordinating and cooperating at both the local and international levels, in accordance with relevant international standards and best practices.

We would also like to take this opportunity to extend our sincere thanks and appreciation to all members of the FIU, who have exhibited a high level of commitment and professional discipline and have dedicated their efforts to carrying out their duties under exceptional and challenging circumstances, both during and outside official working hours. Their dedication and sincerity have constituted a fundamental pillar in ensuring the continuity of the FIU's work and the achievement of its accomplishments, despite the livelihood and occupational challenges arising from the prevailing general economic conditions, an effort that merits commendation and appreciation.

In 2025, a number of important institutional steps were implemented, most notably the relocation of the FIU's headquarters to a secure and fortified location, situated close to the Central Bank of Yemen, within the same premises housing the General Banking Supervision Department, the General Department of the Supervision of Exchange Entities and Establishments, and the Banking Studies Institute. This relocation has contributed to providing a more secure and stable working environment

and to strengthening levels of coordination and institutional integration with partner supervisory authorities, thereby positively enhancing the effectiveness of joint efforts in supervision and in combating money laundering and terrorism financing. The Institutional proximity to the Banking Studies Institute has also created broader opportunities for developing human-resource capacities and raising their professional readiness.

At the technical and international levels, the FIU continued during 2025 to carry out its role in preparing Financial Analysis Reports and Enhanced Follow-Up Reports for the International Cooperation Review Group (FATF-ICRG), and to participate actively in fulfilling the requirements of the action plan with the Financial Action Task Force (FATF), including the preparation of Enhanced Follow-up Reports and Technical Analysis of priority recommendations, within the framework of the Republic of Yemen's commitment to strengthening its compliance to international standards.

The FIU also paid increasing attention to developing its internal structure through the refinement of systems and procedures, developing self-designed electronic programs, building a culture of compliance and raising awareness among subject and related entities, alongside sustained investment in the training and qualifying its human resources, in line with modern developments in patterns and methods of money laundering and terrorism financing crimes.

This report reviews the principal achievements realized during 2025, including the STRs received from the competent authorities and their outcomes following operational and legal analysis; efforts undertaken to enhance local and international cooperation; queries received from local and international authorities and the manner in which they were addressed; supervision and inspection, capacity-building, and the promotion of a culture of compliance; and strategic analysis that strengthens understanding of the methods and patterns used in money laundering. The report also outlines future plans and orientations aimed at improving institutional performance and reinforcing the FIU's role as a fundamental pillar in combating money laundering and terrorism financing.

May peace, mercy, and blessings of Allah be upon you.

FIU Chief

Chapter One: Financial Information Unit (FIU)

First: FIU Establishment

Second: FIU Organizational Structure

Third: Competencies of the FIU

FIU Establishment

The Yemeni Financial Information Unit (FIU) was established in accordance with the provisions of Article (11) of Law No. 35/ 2003 on Anti-Money Laundering; within the structure of the Central Bank of Yemen. At the beginning of 2010, the FIU was reconstituted after the issuance of Law No. (1) /2010 on combating money laundering and terrorism financing. The Law has laid down that the FIU is independent, and has approved its constitution by a Resolution of the Prime Minister upon the recommendation submitted by the Governor of the Central Bank of Yemen. The FIU shall consist of a Chief and members who are experts and specialists as follows:

- Financial experts,
- Law enforcement experts,
- IT Expert,
- Legal expert

The law stipulates that the FIU must be staffed with personnel who are qualified both academically and technically to fulfil its duties. It requires all members and staff to dedicate themselves to their roles on a full-time basis. Furthermore, the law confers the power of judicial capacity upon the Chief and members of the FIU while carrying out their assigned responsibilities, as outlined in Article (31) of the Law. Additionally, it mandates regulatory and supervisory authorities to appoint compliance officers in order to assess and control compliance to those authorities, and shall be regarded as liaison officers with the FIU.

To reinforce this, the Prime Minister's Resolution No. 350/ 2010 was issued constituting the Financial Information Unit (FIU) pursuant to Law No. 1/2010. The Resolution also specified the nomination of its members so as to become composed of seven members and a number of academically qualified staff.

Law No. (1) /2010 on Anti-Money Laundering and Counter-Terrorism Financing, its executive regulation and their amendments addressed the shortcomings identified by the Mutual Evaluation Report, where our country undergone such an evaluation in 2008. It was conducted by MENAFATF to meet all requirements and obligations in accordance with the international recommendations and standards in the field of combating money laundering and the terrorism financing, as well as the recommendations of the Mutual Evaluation Team.

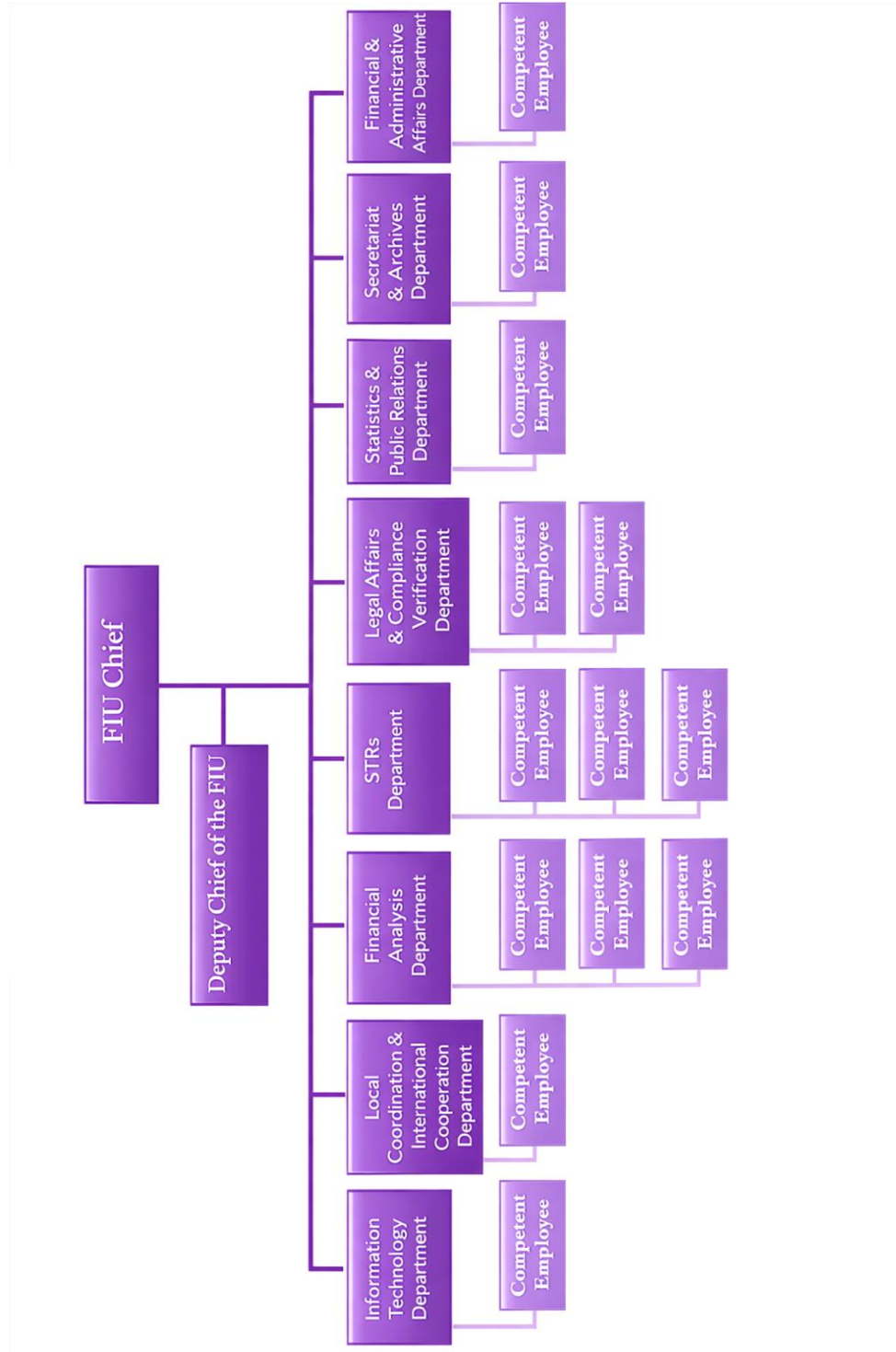
A Historical Overview of the Developments Experienced by the FIU and the National Committee on AML/CFT After Declaring Aden as an Interim Capital of Yemen

On 7 March 2015, His Excellency the President of the Republic declared that Aden is the interim capital, and urged all government bodies and public sector institutions to move their headquarters and to begin exercising their activities from the interim capital- Aden. Accordingly, the following resolutions were issued:

- Presidential Decree No. 119/2016 was issued reconstituting the Board of Directors of the Central Bank and moving its headquarters to the interim capital- Aden,
- Prime Minister's Resolution No. 12/ 2019 was issued reconstituting the Financial Information Unit and the nomination of its members to begin exercising its functions from the interim capital - Aden.
- Prime Minister's Resolution No. 31/ 2019 was passed reconstituting the National Committee on Combating Money Laundering and Terrorism Financing and nomination of its members from (19) government agencies concerned with combating money laundering and terrorism financing.
- Prime Minister's Resolution No. 1/ 2020 was issued reconstituting the Financial Information Unit and the nomination of its members to begin exercising its functions from the interim capital - Aden.

- Prime Minister's Resolution No. 17/ 2021 was issued adopting the internal regulation of the Financial Information Unit in the meeting held on May 8, 2021. It explains in detail the organizational and administrative structure, functions and responsibilities of all different departments and sections within the FIU.
- The Prime Minister's Resolution No. 26/2022 was issued assigning the Chairman of the National Committee on Anti-Money Laundering and Counter Terrorism Financing.
- Strengthening the operational independence of the Financial Information Unit by shifting its headquarters to an independent and secure location, and enhancing its financial independence through the adoption of its independent budget.
- Strengthening the operational independence of the National Committee on Anti-Money Laundering and Counter Terrorism Financing by shifting its headquarters to an independent and secure location, and enhancing its financial independence through the adoption of an independent budget.
- The Republic of Yemen, represented by the Chairman of the National Committee on Anti-Money Laundering and Counter Terrorism Financing, assumed the Presidency of the Middle East and North Africa Financial Action Task Force (MENAFATF) for 2024.
 - The Republic of Yemen, represented by the Chairman of the National Committee on Anti-Money Laundering and Counter Terrorism Financing, holds the position of the Chairmanship of the Middle East and North Africa Financial Action Task Force (MENAFATF) for 2024.
 - The Republic of Yemen, represented by the Chief of the Financial Information Unit, assumed the Presidency of the Forum of Financial Information Units within the Middle East and North Africa Financial Action Task Force (MENAFATF) for 2024.

Second:
FIU Organizational Structure



Competencies of the Financial Information Unit

Law No. 1/ 2010, as amended, some of its articles by Law No. 17/2013 and their executive regulations, define the terms of reference of the Financial Information Unit as follows:

- Receive and analyze Suspicious Transaction Reports (STRs) reported by financial institutions, non-financial institutions, designated professions, regulatory and supervisory bodies about suspicious transactions relevant for money laundering, terrorism financing or any of the predicate offences associated with them, and referring the result of the analysis of the STRs to the competent authorities for any action deemed necessary.
- Report the results of the analysis of STRs when serious indicators are found of the presence of suspicion of money-laundering, financing of terrorism or any of the predicate offences associated with them, accompanied by the necessary inferences to the Public Prosecution.
- Notify the National Committee on Combating Money Laundering and Financing Terrorism, and the concerned regulatory and supervisory authorities of any breach of the provisions of the Anti-Money Laundering and Counter Terrorism Financing Law by financial and non-financial institutions and designated professions.
- Publish periodic reports on its activities, including in particular containing statistical data and analytical studies in the field of AML/CFT.
- Conduct on-site inspections of the entities and institutions covered by the law to verify the extent of their compliance to the provisions of the law and its executive regulation.
- Conclude memorandum of understanding with foreign counterpart FIU units performing similar functions and subject to similar obligations in respect of secrecy.
- Request any additional information that the FIU deems it useful for the performance of its functions when it is related to any information it has previously received in the course of the

exercise of its competencies or upon a request received from counterpart **FIU** units in other countries.

- Prepare forms of **STRs**' guidance for financial and non-financial institutions and designated professions that are used to report to the **FIU** regarding suspicious transactions of involving money laundering or terrorism financing and update them when needed.
- Participate in the preparation of awareness-raising programs on combating money-laundering and counter terrorism financing in coordination with the National Committee on Combating Money Laundering and Terrorism Financing.
- Participate in international, regional seminars, workshops, conferences and meetings related to the terms of reference of the **FIU**.

Chapter Two: FIU Achievements

- I. Training and Information Technology**
- II. Local Coordination and International Cooperation**
- III. Information Technology**
- IV. Legal Affairs and Compliance Verification**
- V. Suspicious Transaction Reports (STRs), Queries and
Financial Analysis**

Training and Capacity-Building

In 2025, the Financial Information Unit (FIU) implemented and participated in a large number of training programs, workshops, and specialized technical events related to combating money laundering and counter terrorism financing, provided by the Egmont Centre of FIU Excellence and Leadership (ECOFEL), the Financial Action Task Force (FATF), the Middle East and North Africa Financial Action Task Force (MENAFATF), the International Monetary Fund (IMF), the World Bank through PRAGMA, the Organisation for Economic Co-operation and Development (OECD), and the German Agency for Development (GIZ). These activities contributed to raising awareness, enhancing the efficiency of human resources, and improving their capabilities in financial analysis, control, compliance, and international cooperation.

This large number of workshops and training programs reflects a sustained national commitment to enhancing the capacity of all entities involved in combating money laundering and terrorism financing.

What follows is a review of the main capacity-building activities conducted locally by the FIU during 2025:

1. In cooperation with the Central Bank of Yemen, a two-day workshop entitled “Bank Risk Assessment and Electronic Reporting Mechanism” was organized from 13 to 14 August 2025 at the Coral Hotel - Aden. The workshop targeted 50 participants from the compliance staff of banks.
2. In cooperation with the Ministry of Industry and Trade, a workshop was organized on 17 August 2025 for 15 ministry personnel on the topic of the “Beneficial Owner.” The workshop reviewed and discussed several key aspects, including the concept of the beneficial owner, due diligence procedures, and mechanisms for verifying the client’s identity and source of funds.

Within the framework of local cooperation and capacity-building for entities concerned with combating money laundering and terrorism financing, members and staff of the FIU also participated as principal trainers in capacity-building events organized by the relevant authorities during 2025, as follows:

1. A workshop entitled “The Role of Central Organization for Control and Auditing (COCA) in Oversight of Anti-Money Laundering and Counter Terrorism Financing for Public and Mixed-Sector Institutions' was convened in February 2025 under the auspices of the National Committee on AML/CFT and organized in cooperation with the COCA. The workshop focused on enhancing the capacity building of COCA staff regarding the oversight of AML/CFT frameworks within public and mixed-sector institutions.
2. A one-day awareness workshop entitled “Introductory Seminar on Combating Money Laundering and Counter Terrorism Financing” targeting senior businessmen and private sector traders. The seminar was held under the auspices of the National Committee on AML/CFT, in cooperation with the Chamber of Commerce and Industry, in February 2025.
3. A two-day introductory workshop for employees of the General Authority for Land, Survey, and Urban Planning on their role in anti- money laundering and counter terrorism financing. The workshop targeted real estate brokers and real estate developers, and was held under the auspices of the National Committee on AML/CFT, in cooperation with the General Authority for Land, Survey, and Urban Planning, from 20 to 21 August 2025.

The following table illustrates the participation of the Financial Information Unit in training events organized by regional and international authorities during 2025:

No	Course Title	Organizing Entity	Venue	Participating Entities	No. of Participants	Date
1	Strategic Analysis	Saudi Arabia FIU in cooperation with the Egmont Group	Riyadh	FIU	2	11-13/02/2025
2	Virtual Assets	ECOFEL	Abu Dhabi	FIU	1	24-26/02/2025
3	Financial Action Task Force (FATF) Standards	MENAFATF	Qatar	FIU - CBY	2	13-17/04/2025
4	The 40th Plenary Meeting of the Middle East and North Africa Financial Action Task Force (MENAFATF)	MENAFATF	Jordan	FIU - National Committee on AML/CFT	5	05-08/05/2025
5	Investigation Techniques in the Cash Economy (Financial Crimes)	Organization for Economic Co-operation and Development (OECD)	Japan	FIU	1	19-23/05/2025
6	Seizure and Confiscation of Criminal Assets	GIZ in cooperation with	Morocco	FIU - Public Prosecution	3	16-18/06/2025

		the Moroccan FIU				
7	Investigation and Prosecution in the Field of Anti-Money Laundering	MENAFATF in cooperation with the Egyptian AML/CTF	Egypt	FIU - National Committee on AML/CFT - Public Prosecution	4	07-09/07/2025
8	Enhancing the understanding of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing Risks	International Monetary Fund (IMF)	Kuwait	FIU - CBY	2	21-25/09/2025
9	Cooperation and Information Sharing between Financial Intelligence Units, Law Enforcement Authorities and Prosecutors	ECOFEL	Riyadh	FIU - Public Prosecution - Ministry of Interior	3	29-30/09/2025
10	Combating Terrorism Financing and Money Laundering	Islamic Military Counter Terrorism Coalition	Riyadh	FIU	15	28/09-02/10/2025
11	The Founding Meeting of the Middle East and North Africa Asset Recovery Inter-Agency Network (MENA-ARIN)	General Secretariat of the Asset Recovery Network	Jeddah KSA	FIU - National Committee on AML/CFT	2	08-09/10/2025
12	Public-Private Partnership in Implementing Targeted Financial Sanctions	MENAFATF	Bahrain	FIU	1	28-30/10/2025
13	41st Plenary Meeting of the Financial Action Task Force for the Middle East and North Africa	MENAFATF	Bahrain	FIU - National Committee on AML/CFT	7	07-13/10/2025
-- 14	Seminar on the Exploitation of the Gold Sector in Money Laundering and Terrorist Financing	MENAFAT	Online	FIU - National Committee on AML/CFT- Yemen Standardization and Metrology Quality Control Org.	6	29/09/2025
15	Combating Corruption and Business Integrity; and A Seminar on Combating Money Laundering	Organisation for Economic Co-operation and Development (OECD)	Jordan	FIU	19	25-27/11/2025

Local Coordination and International Cooperation

The task of cooperation and coordination is one of the most important tasks aimed at developing mechanisms to enhance cooperation and exchange of information between the FIU and the rest of the concerned authorities specializing in combating money laundering and counter terrorism financing. In this context, the Department of Local Coordination and International Cooperation has sought to implement the tasks entrusted to it; the most important of these achievements during 2025 were as follows:

A- Local Coordination

Enhancing Coordination with Regulatory and Supervisory Authorities

During 2025, the Department of Cooperation and Coordination strengthened the level of coordination and cooperation with regulatory and supervisory authorities concerned with combating money laundering and counter terrorism financing, with the objective of supporting their institutional roles and enabling the Financial Information Unit to obtain the data and statistics necessary for the performance of its functions. These efforts contributed to supporting the preparation of regional and international reports, including the 2025 Reports of the Financial Action Task Force for the Middle East and North Africa (MENAFATF), in addition to the requirements of the International Cooperation Review Group (ICRG).

Coordination Meetings and Their Outcomes

During 2025, the Department of Cooperation and Coordination sent seventeen (17) queries requesting information to some regulatory and supervisory authorities regarding matters within the scope of the FIU's mandate. Responses were received to some of these queries; however, the FIU encountered challenges related to delays in receiving responses or the non-receipt of responses from certain authorities. The Department is working to develop coordination mechanisms and practical solutions with those authorities in order to expedite the exchange of information and enable the FIU to perform its duties with greater efficiency.

Development of Regulatory and Legislative Frameworks

Within the framework of developing regulatory structures for non-financial sectors, the Department continued to urge supervisory authorities to issue and update instructions and controls relating to combating money laundering and counter terrorism financing, particularly with respect to due diligence requirements, customer and beneficial owner identification, procedures to be followed where due diligence cannot be completed, and record-keeping requirements. Meetings and

discussion sessions were also held with a number of authorities, including the Ministry of Industry and Trade and the General Authority for Land, Survey and Urban Planning, to promote the issuance of specialized supervisory instructions within their respective mandates.

These efforts resulted in the issuance by the General Authority for Land, Survey and Urban Planning of Resolution No. 8/2025 concerning Anti-Money Laundering and Counter-Terrorism Financing Instructions applicable to real estate brokers and dealers. The Resolution included detailed requirements relating to due diligence procedures, identification of the beneficial owner, prohibition of dealings under fictitious names, and record-keeping requirements.

Furthermore, the Ministry of Industry and Trade issued Resolution No. 73/2025 concerning Anti-Money Laundering and Counter-Terrorism Financing Instructions specific to the auditing and accounting sector, specifying the obligations of accountants and auditors with respect to the due diligence, verification of sources of funds, identification of the beneficial owner, and record-keeping requirements.

B- International Cooperation

International Participation and Regional Cooperation

The Financial Information Unit participated in the 40th Plenary Meeting of the Financial Action Task Force for the Middle East and North Africa (MENAFATF), held in the Jordan, and in the 41st Plenary Meeting held in the Kingdom of Bahrain.

On the sidelines of the plenary meeting, the FIU held a meeting with the Saudi Arabia FIU. A number of issues were discussed, most notably the completion of the procedures for the accession of the FIU to the Egmont Group, and the request for technical support to build the capacities of the FIU's staff.

Technical Assistance and Legislative Development

Coordination was carried out with the International Monetary Fund regarding the provision of technical support in the field of capacity building and the amendment of Yemeni legislation related to combating money laundering and counter-terrorism financing, in order to align it with international legislation developments. This was pursued through a series of meetings with international experts, held both in person and remotely.

Information Exchange and Response to International Requests

During 2025, the Department of Cooperation and Coordination received (70) international queries for information from counterpart FIUs. The Department responded to the majority of these international queries, while others remain under review and pending response.

During 2025, the Department also sent two (2) outgoing international requests to counterpart FIUs.

The Department further responded to questionnaires, queries, and inquiries received from international bodies and organizations concerned with combating money laundering and counter terrorism financing, as follows:

- ✓ Questionnaire of the Financial Action Task Force for the Middle East and North Africa (MENAFATF) concerning the regional assessment of money laundering and counter terrorism financing risks.
- ✓ Questionnaire of the Financial Action Task Force for the Middle East and North Africa (MENAFATF) regarding the project for the development of the activities of the Financial Information Units Forum in the Middle East and North Africa region.
- ✓ Query of the International Cooperation Review Group (ICRG) regarding the extent of progress achieved in Yemen's anti-money laundering and counter-terrorism financing framework in light of the prevailing political and economic conditions, Yemen is going through, and the alternative and innovative that have been followed to reduce the impact of risks and increase the effectiveness of combating such offenses.

Efforts to Accede to the Egmont Group and Memorandum of Understanding

Continuous communication has been maintained with Financial Information Units in the Egypt and the Saudi Arabia, which serve as sponsoring countries for the Yemen Financial Information Unit, in order to coordinate efforts to proceed with the completion of accession procedures to the Egmont Group of Financial Information Units.

During 2025, the FIU honoured certain counterpart Financial Information Units by awarding them the Shield of Excellence in recognition of their significant role in providing cooperation, as well as technical and training assistance.

Coordination and communication are ongoing with certain counterpart Financial Information Units in the Kingdom of Saudi Arabia, the Republic of Djibouti, the Kingdom of Morocco, the Arab

Republic of Egypt, and the State of Kuwait with a view to concluding Memoranda of Understanding for cooperation in the field of combating money laundering and counter terrorism financing.

The following table sets out the most prominent of these efforts.

Sl. No.	Country	Subject	Year of Signing
1	Libya	Signing of a Memorandum of Understanding	2021
2	Ethiopia	Signing of a Memorandum of Understanding	2021
3	Somalia	Signing of a Memorandum of Understanding	2022
4	Jordan	Renewal of the Memorandum of Understanding Signing	2022
5	United Arab Emirates	Signing of a Memorandum of Understanding	2022
6	Horn of Africa Countries	Signing of a Cooperation Agreement under the European Union Program	2022
7	Algeria	Signing of a Memorandum of Understanding	2023
8	Oman	Signing of a Memorandum of Understanding	2023
9	Morocco	Coordination for the Signing of a Memorandum of Understanding	In progress
10	Egypt	Coordination for the Signing of a Memorandum of Understanding	In progress
11	Djibouti	Coordination for the Signing of a Memorandum of Understanding	In progress
12	Saudi Arabia	Coordination for the Signing of a Memorandum of Understanding	In progress
13	Kuwait	Coordination for the Signing of a Memorandum of Understanding	In progress

A time-bound plan for the Department for 2026 was prepared, outlining a set of activities and initiatives that the Department intends to implement during the forthcoming period, in accordance with institutional work priorities. The implementation of these activities remains contingent upon the availability of the necessary capacities and resources within the FIU, in order to ensure the efficient and effective achievement of the planned objectives.

Information Technology

Information Technology constitutes the backbone and central pillar for organizing all the operations of the FIU. It has become the primary driver that ensures the FIU's effectiveness and its ability to

achieve its security and economic objectives through the management of large volumes of financial data, the provision of the necessary technical support, and the design and development of regulatory and statistical electronic systems and databases. These systems undergo continuous updates and are seamlessly integrated with the FIU's central server to optimize workflow organization and facilitate the efficient execution of mandated tasks are as follows:

1. The total number of incoming and outgoing money transfers executed through exchange entities and establishments, their affiliated transfer networks, as well as certain local and international transfer institutions included in the FIU's database during 2025 reached **82,361,415 transfers**. The cumulative total recorded for the period from the beginning of 2020 to the end of 2025 amounted to **242,529,579 transfers**, forming an extensive dataset that enables the FIU to carry out its operational duties swiftly and effectively, as these transactions are now fully available for search and query purposes.
2. The unified central database designed based on Oracle Database facilitates search processes, inquiring, extraction of reports and investigation of the names to be searched to assist in the analysis of STRs received from the reporting authorities. The database saves the time and effort during the search processes.



3. Furthermore, the Information Technology Department has developed a specialized database for significant financial transactions executed by banks, effective from January 2025. This database captures all transactions exceeding 10 million Yemeni Riyals (YER) or 5,000 US Dollars (USD), or their equivalent in other foreign currencies. This database covers all types

of financial transactions, including withdrawals, deposits, sales, purchases, transfers, domestic and international/commercial/Islamic financing, interest/profit accruals, and others. These financial dates are highly valuable, significantly enhancing the FIU's operational efficiency by enabling rapid and effective processing. The data are now fully prepared for search, query, and responses to queries received from relevant authorities.

4. The Information Technology Department received 117 information requests/queries during 2025, some of which were linked to STRs received by the FIU from reporting entities, while others are related to queries received from relevant foreign entities. These queries involved more than 543 suspected individuals (natural or legal persons), who were searched in the FIU's transfers and large transaction databases.
5. In 2025, the Department updated its STRs and queries system to enhance speed of response and to ensure data security across the relevant departments within the FIU, and in accordance with work development. The system now incorporates all necessary procedures, including searching, filtering, numbering, charting, graphs, and categorizing data according to predefined fields and options to facilitate the searching process and review. It also supports detailed reporting on STRs, queries, legal feedback, and managing financial analysis. Additionally, the system has been developed to design **regulatory** reports and a system was added for the FIU's relevant departments according to the nature of each department's work. This system facilitates the extraction of **real-time reports** as needed, and provides statistics that support **timely and informed decision-making**.
6. The Information Technology Department upgraded the central server in 2025 to enhance its capacity for processing large datasets and ensure work continuity. This strategic step goes beyond technical improvement; it is a legal and security necessity to maintain the stability of the financial system and protect it against emerging crimes.

7. In 2025, the Department also oversaw the FIU's official website www.fiu-ye.com, uploading circulars, instructions, guidelines, and numerous local and international reports, including international and local sanctions lists, and enhanced due diligence lists. Key publications include:
 - a. The Second Strategic Analysis Report on Fraud and Scam Crimes
 - b. Anti-Money Laundering and Counter-Terrorism Financing Instructions
 - c. Beneficial Owner Regulatory Instructions
 - d. Instructions on Enhanced Due Diligence Procedures and Compliance to International Sanctions Lists
8. The Information Technology Department coordinated with the Department of Coordination and International Cooperation to provide media coverage and uploading international and local events and meetings to the FIU's website, as well as signed local and international agreements and MoUs. Notable coverage included the 40th plenary Meeting of the Middle East and North Africa Financial Action Task Force, held in Amman, Jordan, and the workshop entitled "Bank Risk Assessment and Electronic Reporting Mechanisms", organized in cooperation with the Central Bank of Yemen.

Looking forward, the Information Technology Department seeks to develop and enhance operational efficiency within available resources. There is a perception regarding the remaining priorities, including acquiring modern financial analysis software and encrypted security programs.

Key Items in the Information Technology Department's 2026 Plan:

- Develop a unified electronic portal for direct access to government databases, linking systems with commercial registry, customs, and civil status databases to accelerate verification processes.

- Develop Application Programming Interfaces (APIs) to enable banks and non-financial institutions to submit Suspicious Transaction Reports (STRs) instantly.
- Develop a unified technology platform to enable secure and effective information exchange between the FIU, banks, and exchange entities, thereby ensuring rapid and transparent responses to increasing financial crime challenges.
- Enhance and improve the FIU's database to ensure accurate, analysable data, strengthening the FIU's capacity to address increasing challenges.
- Strengthen cybersecurity by protecting systems and data from increasing threats and improving security procedures.
- Select an appropriate development platform to integrate the database with the STRs system.
- Provide and procure advanced financial analysis software and systems.
- Study the feasibility of acquiring GO-AML software and integrating it with all relevant entities.

Legal Affairs and Compliance Verification

Based on the tasks assigned to the Legal Affairs and Compliance Verification Department in order to strengthen the efforts of the FIU to perform its functions within proper frameworks, the Department has carried out numerous activities in **2025**, which can be summarized as follows:

Legal Affairs:

1. The Department continuously provides legal consultations to the Head of the FIU and the employees of the Analysis Department, and assists in preparing many legalistic drafts.
2. Follow-up on legal cases referred to the Public Funds Prosecution and the competent judicial authorities. During this period, two appellate judgments were issued in cases involving banks, upholding the initial court rulings in which the FIU was a party.

3. Legal review of the results of financial analyses that require the submission of legal recommendations. In this regard, the Department received **fifty-four (54) STRs**, all of which were legally examined and processed, and the relevant reporting files were prepared and submitted with the necessary recommendations. The Department recommended the following:

- ✓ Referring 52 STRs to the competent authorities due to serious indicators of suspicion.
- ✓ Recommending the issuance of circulars or warnings, as deemed necessary, to the reporting entity in instances where a violation is attributable to negligence or a failure to apply Enhanced Due Diligence by reporting entity. This includes instructing them to implement Enhanced Due Diligence measures prior to executing any financial transactions on behalf of their clients.
- ✓ Temporarily keeping for other (2) STRs

Control and Compliance Verification

Regulatory Framework and Operational Methodology

Effective Control constitutes a fundamental pillar for safeguarding the integrity of the Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) system, given its pivotal role in strengthening institutional compliance and enhancing the effective implementation of national laws, regulations, and instructions, in addition to aligning regulatory frameworks with relevant international standards. Control also contributes to reinforcing the credibility of the financial sector and strengthening confidence in the economic environment, thereby positively influencing international financial relations and supporting the stability of the national economy.

Based on this premise, the FIU has adopted a **risk-based inspection methodology**, aimed at directing resources toward sectors and areas that are more exposed to risks, while maximizing the impact of control activities within the available resources.

Development of Inspection Tools and Methodologies

- **An On-site Inspection Procedures Manual** for banks and financial institutions in relation to AML/CFT has been prepared (in effect since 2022), with technical support from **Pragma Corporation**, the implementing corporation of the support project funded by the United States Agency for International Development (USAID), and guided by international best practices as well as the reference guide issued by the World Bank.
- **The Manual** provides a comprehensive procedural framework for the inspection operation, starting from the planning and preparation phase, through the implementation of tests, and concluding with the issuance of the final report and the subsequent follow-up process. It also serves as a practical reference for inspectors, enhancing professional performance and consistency.
- A **Standardized Inspection Report Template** has also been prepared in line with the requirements of international standards, the provisions of the AML/CFT Law and its Executive Regulation, the instructions issued by the Central Bank, and the **guidelines of the Financial Information Unit**.
- An **Annual Inspection Plan** has been prepared to inspect banks and exchange entities in accordance with the risk-based methodology, ensuring comprehensive regulatory coverage and arranging priorities based on risk levels.

Raising Awareness and Capacity Building during Inspection Operations

Inspection missions are not limited to verifying compliance and preparing reports; they also extend to raising awareness and strengthening the regulatory culture among subjected entities. During **on-site Inspection** visits, the inspection team discusses observations, set right misconceptions, and provides technical guidance to compliance officers, thereby addressing deficiencies before the issuance of the final report.

This approach has positively contributed to improving the quality of AML/CFT systems and strengthening the role of **Risk Management and Internal Audit Departments** within financial institutions.

On-site Inspection and Compliance Verification

Periodic Inspections

The Department conducted **on-site inspection visits to two (2) banks** to assess the level of technical and applied compliance to AML/CFT requirements. The scope of the assessment particularly included:

- ✓ The structure, independence, and effectiveness of the compliance units.
- ✓ Approved policies and procedures.
- ✓ Electronic systems supporting compliance functions.
- ✓ Training and qualification programs.
- ✓ Due diligence procedures and ongoing monitoring of transactions.

The results of the on-site visits showed **partial technical compliance** and a **relatively low level of effectiveness** in certain aspects. Final reports were issued, including necessary recommendations and proposed **remediation plans**, with ongoing follow- account to ensure the implementation of **corrective actions** and the provision of supporting documentation to the FIU.

Ad hoc On-site Inspections

During the period (April-May 2025), ad-hoc assessments of the compliance frameworks of three major banks were conducted to verify the completion of procedures related to the relocation of their headquarters and the management of their operations to the liberated areas, namely:

- ✓ **Al-Kuraimi Islamic Microfinance Bank**
- ✓ **Tadhamon Bank**
- ✓ **Shamil Bank of Yemen and Bahrain**

During these on-site visits, the assessment included an examination of the technical infrastructure of compliance systems, the organizational structure and effectiveness of compliance units, as well as operational aspects related to the actual relocation of headquarters and the management of operations.

Assessment of Requests for Foreign Currency Remittance

The competent department provided regulatory opinions on requests for foreign currency remittances submitted by commercial and Islamic banks, to verify compliance with AML/CFT requirements prior to depositing funds in correspondent banks abroad.

During the last quarter of 2025, regulatory opinions were issued regarding several requests for foreign currency remittance submitted by banks to the Kingdom of Saudi Arabia, in accordance with applicable procedures and regulatory controls.

Off-site and On-site Inspections on Exchange Entities and Facilities

The verification process (issuance of on-site inspection reports) was completed for five exchange entities headquartered in Hadhramaut Governorate and Al-Maharah Governorate, in order to verify their technical and applied compliance to AML/CFT frameworks. The minimum standards of AML/CFT were selected to evaluate these exchange entities and facilities inspected, with particular focus on a set of key requirements, including:

- ✓ The Exchange Entity and Facility Compliance Unit
- ✓ Compliance Unit independence
- ✓ Effectiveness of the Compliance Unit
- ✓ Guide of policies and procedures for combating money laundering and terrorism financing
- ✓ Training pattern and plan
- ✓ Due diligence procedures of exchange entities regarding clients, transactions, products, geographical areas, and modern technologies.

- ✓ Preserving records in accordance with applicable laws.

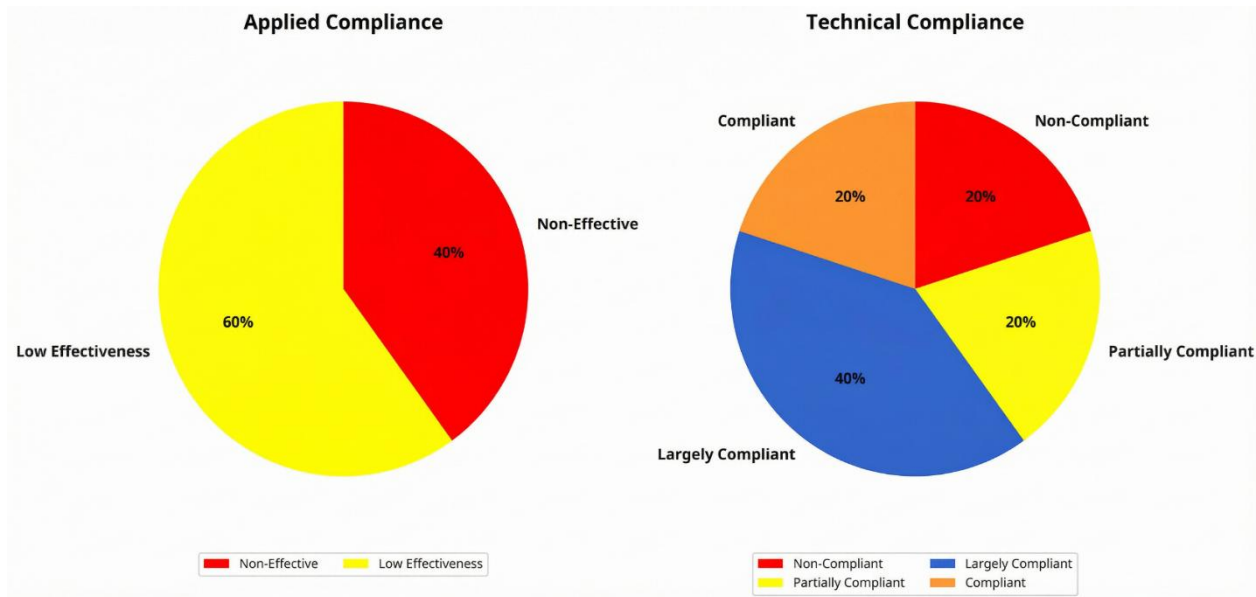
Distribution of Entities and Facilities Subject to Inspection was as follows:

Technical Compliance Results

- One (1) exchange entity was assessed as ‘**Non-Compliant.**’
- One (1) exchange entity was assessed as ‘**Partially Compliant.**’
- Two (2) exchange entities were assessed as ‘**Largely Compliant,**’ with accompanying remarks.
- One (1) exchange entity was assessed as ‘**Compliant,**’ with accompanying remarks.

Applied Compliance Results

- Two (2) exchange entities were assessed as ‘**Non-Effective.**’
- Three (3) companies were assessed as ‘**Low Effectiveness.**’



Suspicious Transaction Reports and Financial Analysis

The FIU is the national authority concerned with receiving STRs of suspicious transactions in the field of money laundering or terrorism financing. It also receives and responds to queries from the relevant authorities and counterpart FIUs. The FIU performs the following tasks:

1. Check the STRs received from the reporting authorities as well as requests for queries from counterpart FIUs or competent foreign authorities and notify the reporting authority of receipt of the STRs or requests for queries.
- 2- Registering the STRs in the database of the FIU, indicating the type and name of the reporting authority, the name and type of suspicion, beneficiaries, nationality, reason for suspicion, the instrument used (cash, checks, shares) as well as the method used (transfer, deposit, withdrawal, transfer of funds) and the time of receipt of the STRs and any other data that may appear in the reporting form.
3. Verify that the reporting authority fulfilled the data of the reporting form and the extent to which it conforms to the STRs guidelines and forms specified by the FIU, and submits the result of the same to the director of the Department.
- 4- Place the analysis process form on the STRs file, recording it in the register designated for the same, sending it to the Financial Analysis Department, and taking a receipt for same, indicating the date of submission.
- 5- Receive the final analysis file after the direction of the Chief of the FIU, specifying the period of time that STRs took in the analysis from the date of its arrival until the issuance of the final decision therein, and referring it to the competent authorities or saving.
- 6- Preparing periodic reports on its activities and achievements.

The number of such **STRs and queries** is related in proportion to the level of community and institutional culture concerning the crimes of money laundering and terrorism financing. Such culture that almost disappeared under the current situation in the country, which has become a stumbling block to the success of the efforts to combat money laundering and counter terrorism financing. However, the FIU has taken upon itself throughout the previous period to adopt the policy of education through holding training courses, workshops, inspection and awareness campaigns, follow-up of correction procedures, as well as meetings and correspondence with institutions and regulatory and supervisory authorities.

We list the most prominent efforts that have been made by the FIU under this commitment, noting the doubling of the number of **STRs** during 2025. This is due to the success of the FIU's efforts in control, inspection and raising awareness among the concerned authorities through holding awareness-raising workshops in this field. The FIU still seeks to double such efforts and to enhance the quality of such STRs, which will be reflected positively on the analysis processes.

The most important challenges arise in the post-**STRs receiving** phase, especially in the electronic search. Most State institutions still rely on traditional paper-based systems for recording, preserving, archiving, and processing their transactions. This situation makes it difficult to obtain a considerable amount of information of critical importance to the work of the FIU.

Within the framework of promoting digital transformation and developing reporting tools, and with technical support from experts of Pragma Corporation under support programs provided by the World Bank, the FIU has developed an electronic STR form for suspicious transactions. The form contains mandatory fields and specific parameters governing the completion of certain sections. The development of the form has been completed and it has been launched for practical use. It has been circulated to banks and exchange entities through a direct electronic link that facilitates the prompt

and efficient submission of STRs. To ensure the effective implementation of the system, the FIU organized a training program targeting banks and exchange entities, which included practical explanation on the use of the electronic STR form. In addition, the FIU prepared specialized training materials that were delivered during workshops targeted financial institutions, with the aim of enhancing readiness and improving the quality of incoming STRs.

In order to enhance the quality of incoming STRs from the concerned entities, the FIU, in cooperation with experts from Pragma Corporation under the support programs provided by the World Bank, has adopted a standardized evaluation matrix designed to measure the quality of incoming STRs. This matrix includes a set of established criteria and relative weights. For each incoming STR, the STR Department attaches the evaluation matrix to facilitate a systematic quality assessment and to assign a final score based on the evaluation of its individual components. This procedure contributes to standardizing evaluation criteria, improving the quality of STRs, and enhancing the efficiency of analysis and follow-up processes.

Statistical Data

Table showing the total number of STRs and Queries received by the FIU from 2023 -2025

Case Type	2023	2024	2025	Total
STRs	94	133	208	435
Queries *	429	507	601	1537
Total	523	640	809	1972

*This includes incoming and outgoing Queries from and to all relevant entities, in addition to queries related to additional requests relevant to foreign incoming and outgoing queries.

The following chart displays the **total number of STRs and Queries received by the FIU from 2023 -2025:**

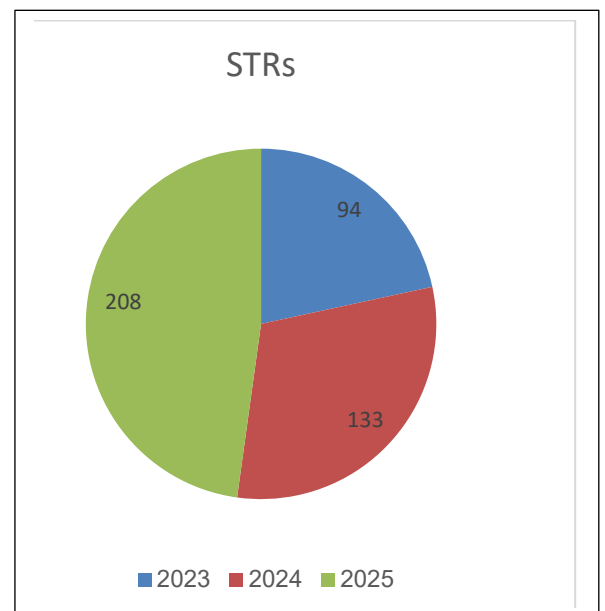
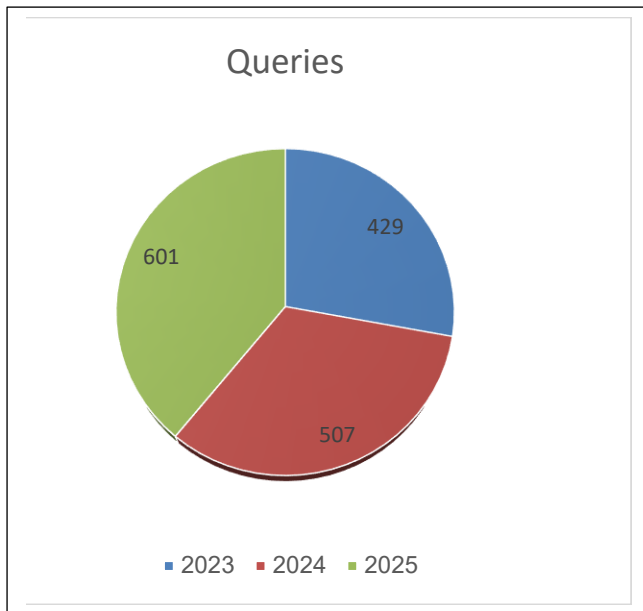


Table showing the total number of incoming and outgoing cases of the (FIU) by case type
from 2023-2025

Year Type	2023		2024		2025	
	No.	%	No.	%	No.	%
Local STRs	94	18%	133	21%	208	25.7%
Local Incoming queries	199	38%	269	42%	348	43%
Local outgoing queries	224	43%	227	36%	180	22.3%
Foreign Incoming queries	6	1%	5	0.8%	71	8.7%
	0	0	1	0.2%	2	0.2%
Total	523	100 %	635	100 %	809	100%

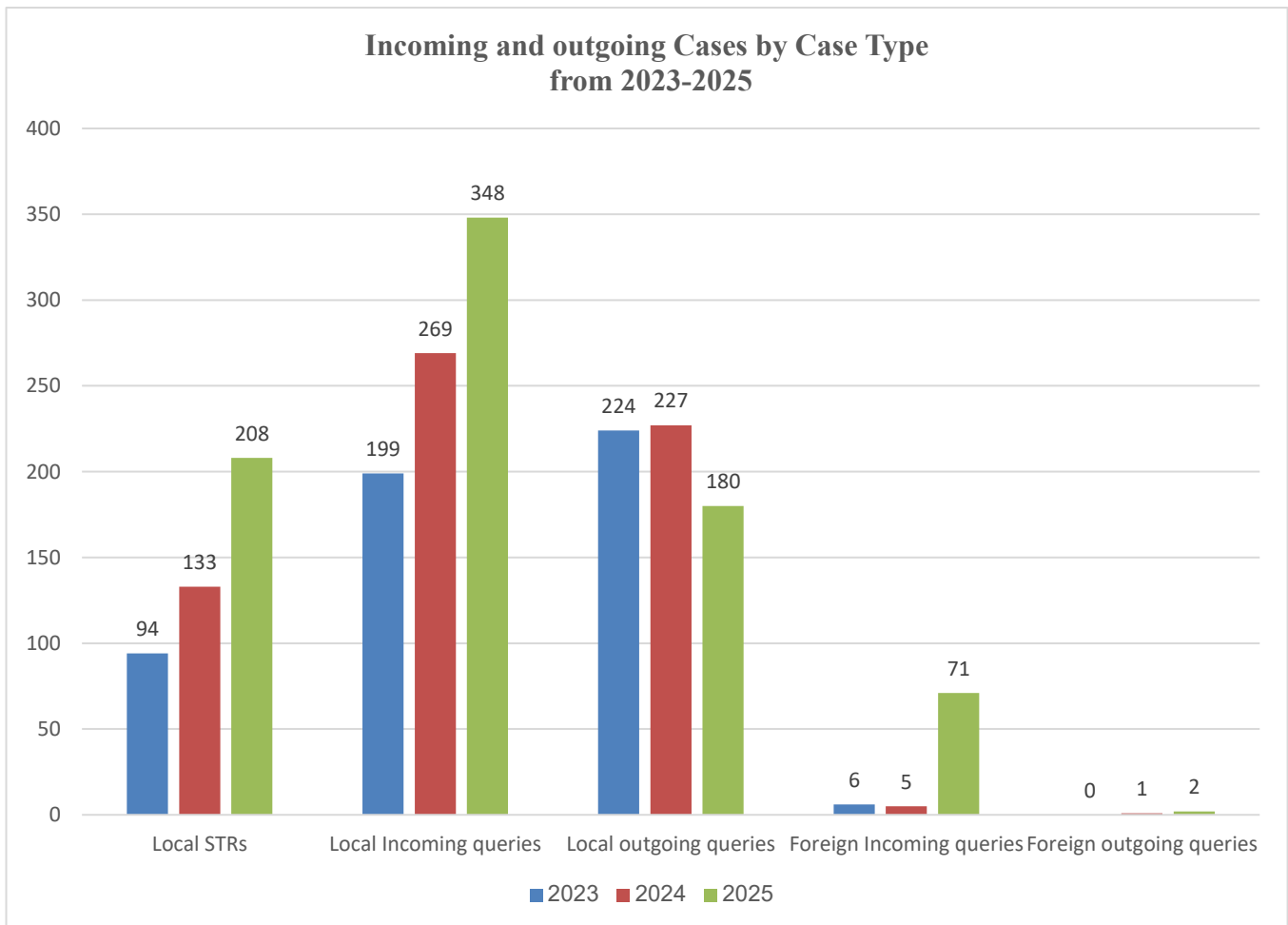


Table showing the distribution of local incoming STRs by the reporting entity from
2023-2025

Source	Year	2023		2024		2025	
		No.	%	No.	%	No.	%
Banks		70	74.5%	99	74.3%	188	90 %
Exchange entities		24	25.5 %	34	25.7 %	20	10 %
Control and Supervisory Authorities		0	0	0	0	0	0
Other		0	0	0	0	0	0
Total		94	100 %	133	100 %	208	100 %

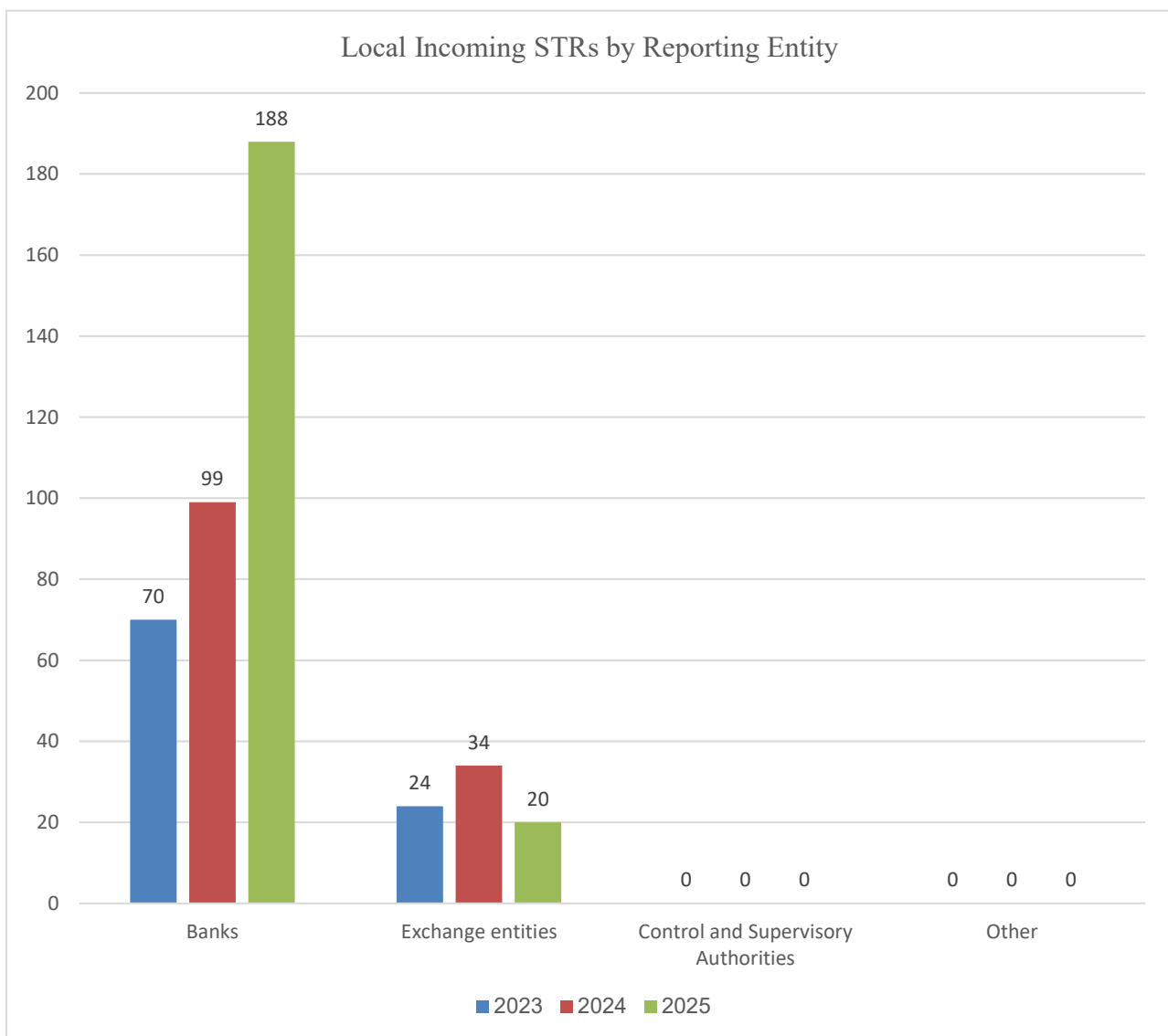


Table displaying the distribution of the incoming STRs to the FIU by the suspicion type from
2023-2025

Year	2023		2024		2025	
	No.	%	No.	%	No.	%
Money laundering	5	5.4%	6	4.5%	11	5.3%
Fraud and Scam	32	34%	87	66%	121	58.2%
Deposit without supporting documents	5	5.4%	2	1.5%	1	0.5%
Transaction amount is not commensurate with the income	21	22.4%	6	3.7%	25	12%
Counterfeit	10	10.6%	7	5.3%	6	2.9%
Send transfers without supporting documents	0	0%	3	2%	0	0%
Others*	21	22.3%	22	17%	44	21.2%
Total	94	100%	133	100%	208	100%

*Others means unclassified crimes

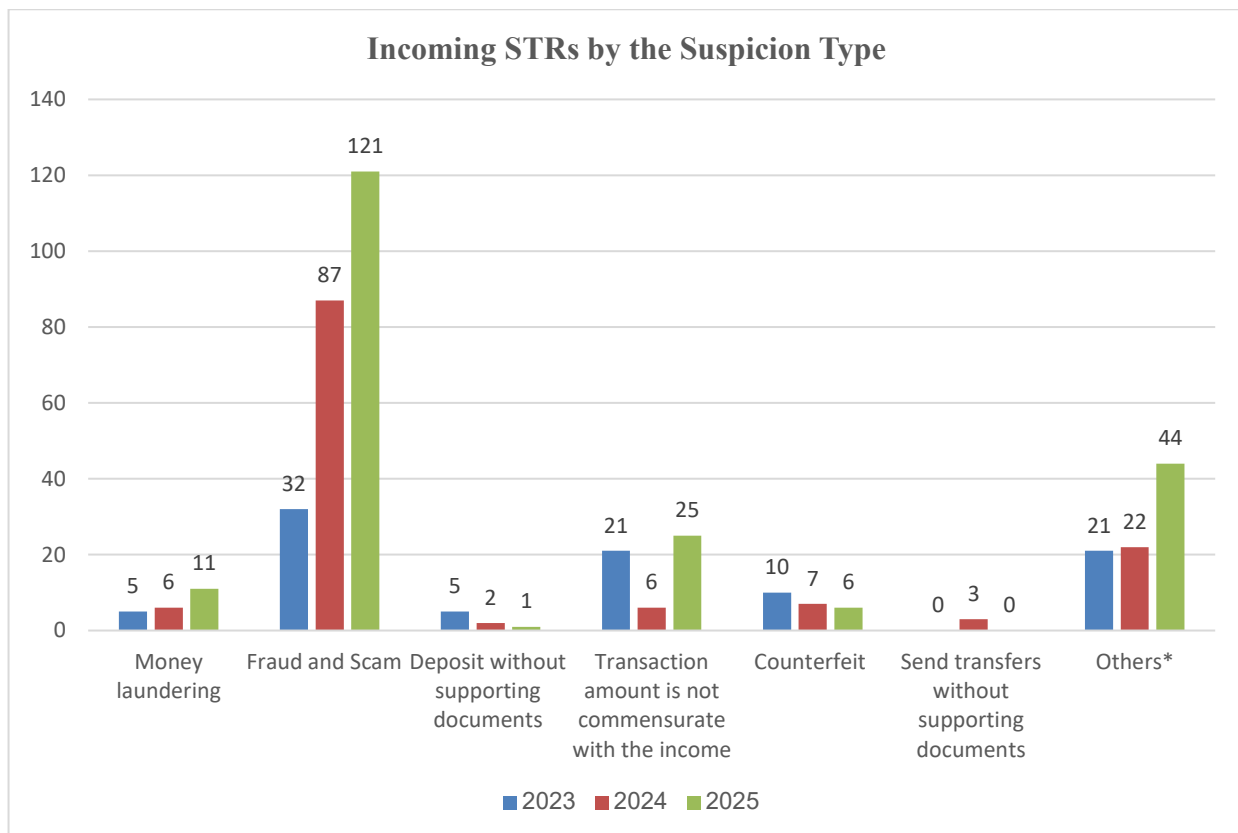


Table showing the distribution of incoming STRs to the FIU by the action taken regarding them during 2025

Final Action Taken	2025	
	No.	%
Under analysis	109	41%
Temporary save	93	35%
Referral to the competent authorities	62	24%
Total	264	100%

*The total number of STRs includes those under analysis at the end of 2024, in addition to the STRs received in 2025.

Table presenting FIU incoming queries (local and foreign) to the FIU by Suspicion Type from 2023-2025

Year	2023		2024		2025	
	No.	%	No.	%	No.	%
Suspicion Type						
Money laundering	31	15%	39	14.23%	38	9.1%
Financing terrorism	15	7.4%	0	0%	7	1.7 %
Fraud and Scam	9	4.4%	56	20.74%	69	16.5%
Embezzlement	21	10.3%	0	0%	12	2.9%
Illegal trafficking	2	1%	1	0.03%	8	1.9%
Tax evasion	1	0.6%	0	0%	0	0%
Other	126	61.4%	178	65%	285	67.9%
Total	205	100%	274	100%	419	100%

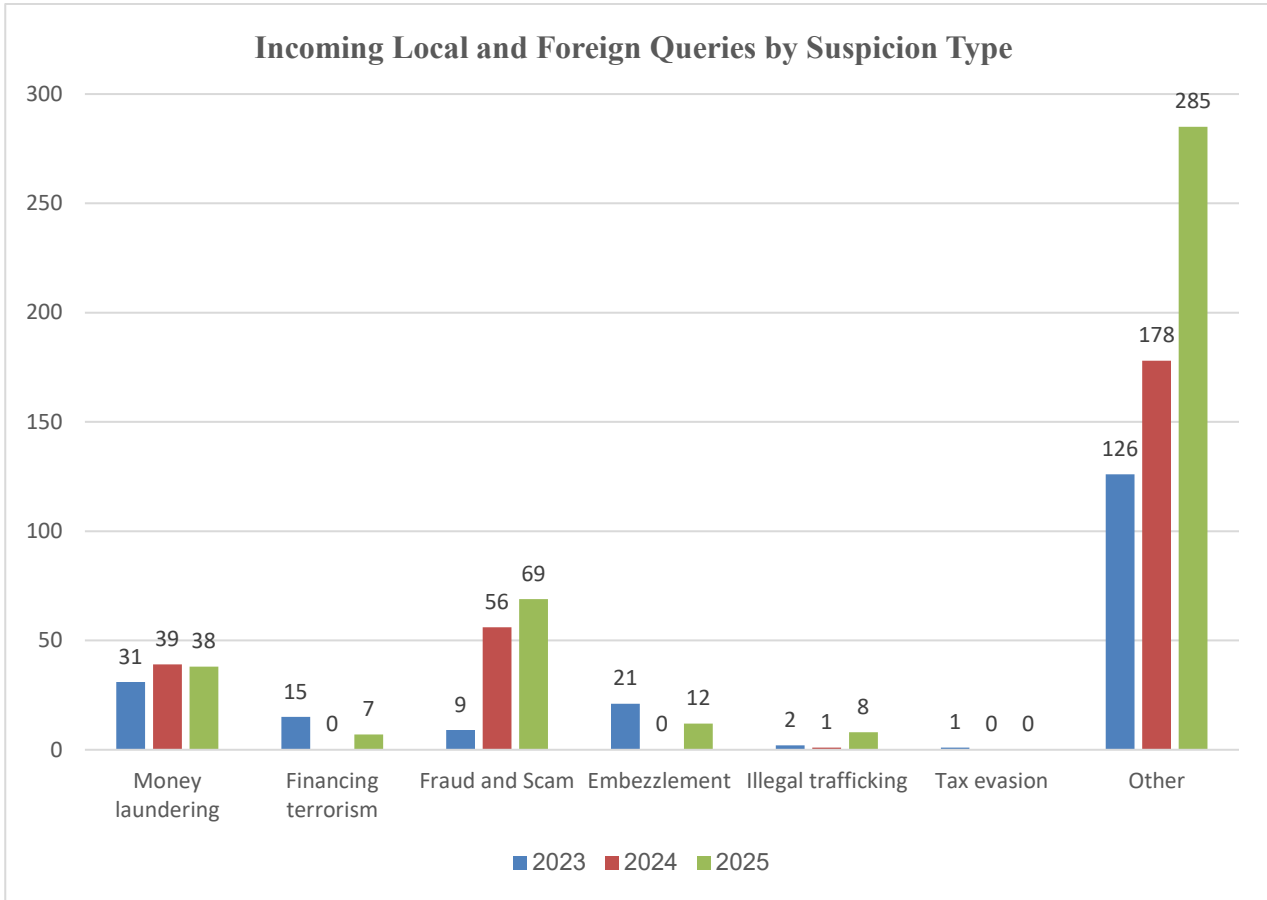


Table displaying the distribution of queries by type and source of query from 2023 - 2025 *

Source and Type	Year	2023	2024	2025
Local query - Incoming*		199	269	348
Local query - Outgoing *		224	232	180
Foreign query - Incoming		6	5	71
Foreign query - Outgoing		0	1	2
Total		429	507	601

* Local Incoming Queries from regulatory and supervisory authorities and law enforcement agencies.

* Local Outgoing Queries from the FIU based on additional requests related to STRs, as well as incoming queries received from supervisory and regulatory authorities, law enforcement agencies, and counterpart FIUs.

Comparative Statistics of Suspicious Transaction Reports for the period from 2024 -2025

Analysis by the Number of STRs

During 2025, the Financial Information Unit received **208 STRs**, compared to 133 STRs during 2024, representing an increase of **56%**. This increase reflects an improvement in the level of compliance and awareness among reporting entities and is attributed to several key factors:

- **The new electronic STR system**, which has facilitated the rapid receipt of STRs while maintaining confidentiality and security, and has enhanced the quality of submitted reports.
- **The STRs quality assessment matrix**, which enables performance measurement according to specific elements such as reporting timeliness, quality of documentation, strength of suspicion indicators, and the accuracy of due diligence.
- **Awareness-raising and training efforts**, implemented by the FIU in cooperation with the National Committee on AML/CFT and supporting entities, to enhance awareness of the risks of money laundering and terrorism financing among banks and the exchange sector.
- **Regulatory instructions issued by the Central Bank of Yemen**, which required banks to relocate their headquarters to areas under the control of the legitimate government, and which also strengthened the effectiveness of anti-money laundering and counter-terrorism financing systems within financial institutions.
- **Follow-up and intensive on-site inspections**, which contributed to raising the level of compliance among banks and exchange entities and improving the capacity of compliance staff to identify indicators of suspicion.
- **Fostering compliance Departments** in banks and the exchange entities with qualified cadres, which contributed to improving the quality of suspicious transaction reports.

Analysis by the Reporting Entity:

1. The total number of STRs received by the FIU during 2025 reached **(208)**, compared to **(133)** STRs during 2024, representing an increase of **(56%)**.
2. Banks accounted for the largest proportion of STRs received by the FIU. The number of incoming STRs submitted by banks in 2025 reached **(188)**, representing (90%) of the total incoming STRs received, compared to **(99)** STRs during 2024, representing (74%) of the total STRs for same year. The increase in STRs is attributed to the strengthening of the culture of compliance within banks as a result of awareness-raising, training programs, and intensive supervision, in conjunction with the relocation of banks' headquarters to the temporary capital, Aden.
3. Exchange entities ranked second in terms of the number of STRs received by the FIU. The number of incoming STRs submitted by exchange entities in 2025 reached (20), representing (10%) of the total STRs, compared to (34) STRs during 2024, representing (25%) of the total STRs. The reason for the decrease in the percentage is attributed to the measures taken by the Central Bank and the Financial Information Unit to restore confidence in the official banking sector and to return the monetary circulation to the banks, particularly with the establishment the National Committee for the Regulation and Financing of Imports.
4. The number of outgoing and incoming queries, both local and foreign, addressed to the FIU during 2025 reached (601), compared to (507) queries during 2024, representing an increase of 18.4%. This increase is primarily attributed to the growing culture of compliance, particularly among investigation and prosecution authorities, law enforcement agencies, and regulatory and supervisory bodies.

Feedback Provided by the FIU to the Reporting Entities:

The concept of *feedback* has become widely recognized across multiple sectors. It refers to information that is returned to its source or sender for the purpose of evaluating the quality and effectiveness of the information in achieving its intended objectives, benchmarked against pre-established standards or recognized best practices. Such feedback is intended to enhance performance quality and is regarded as one of the most critical tools for guided education and corrective action.

During 2025, the FIU issued a total of **127 feedback messages**, compared to **69 messages** in 2024, addressed to banks and exchange entities. These communications provided comprehensive clarifications and guidance regarding the quality of STRs submitted by reporting entities, as well as the outcomes of the analysis of these STRs, whether retained or referred to the competent authorities.

The increase in feedback messages is attributed to several factors:

- A significant rise in the number of incoming STRs, which increased by 56%, creating a greater need to provide feedback and guidance to improve the quality of STRs.
- The implementation of the new STRs Quality Assessment Matrix, which enabled the FIU to systematically evaluate each STR and issue precise feedback for every STR.
- Enhanced training and follow-up mechanisms, prompting the FIU to issue more detailed and targeted feedback to ensure errors are corrected and to strengthen compliance levels among reporting entities.

Conclusion

Despite the recent establishment of the Financial Information Unit (FIU) in the interim capital, Aden, the FIU has utilized its specialized personnel to address a range of challenges, including its operational budget, delays in the establishment of its dedicated headquarters, the recruitment of qualified staff, approval of its internal regulations, the absence of pre-existing operational forms or previous personnel, and the unprecedented effects of the COVID-19 pandemic, which led to both public and private sector lockdowns. Furthermore, the novelty and lack of automation in government sectors has led to a significant leakage of irreversible information and documents outside official channels, hindering efforts to track remaining information and documents. Undoubtedly, the limited capacity of personnel working in both the public and private sectors to operate in accordance with compliance requirements, coupled with a societal culture that tends to resist compliance and the impact of the prevailing circumstances, has posed significant challenges.

Therefore, the FIU has issued this Annual Report to highlight its efforts and achievements during the period under review. The next report will be issued in accordance with the specified timeframe and is expected to reflect further progress, developments, and achievements across various areas, the outlines of which have already begun to emerge. This reflects the capacity of the FIU's staff to understand and adapt to evolving developments and to utilize them effectively in their work, resulting in more substantial results and higher-quality outputs.

We pray to Almighty Allah to grant success to all in their efforts for the good and welfare of the nation.



**Enhancing Financial Integrity..
Protecting The National
Economy**

