

Know Your Customer: Quick Reference Guide

Anti-Money Laundering

*Understanding global
KYC differences*

April 2012



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Understanding global KYC differences

Combating Money Laundering continues to be a key issue for many businesses. Tackling the complex international patchwork of regulatory and legal requirements, while continuing to serve clients locally, is challenging. The financial services sector faces significant reputational damage and potentially large fines if adequate controls do not exist. Around the world, regulators are taking an increasingly aggressive stance on failures in this area.

Quick and easy access to global Anti-Money Laundering ('AML') and 'Know Your Customer' ('KYC') information is helpful to mitigating risk. In response, we have developed a Know Your Customer quick reference guide. It incorporates the main local AML requirements for over 70 different countries.

In addition to new countries being included in the 2012 Know Your Customer quick reference guide, there are also additional questions on the topic of reporting requirements. These include details of whom to report suspicious activity to within the various territories, reporting obligations and any penalties for non compliance.

The guide details many regulatory and other cultural issues which need to be addressed when doing business across territories. Useful links to Financial Action Task Force ('FATF') reports and country evaluations are also included.

Information about whether local regulators support the use of the risk based approach to AML; how to deal with Politically Exposed Persons ('PEPs') and whether doing business with shell banks is prohibited can all be found in our guide.

From time to time, you may need expert advice from AML specialists. We've included details of the appropriate PwC AML professionals in the countries featured. They would be happy to discuss any AML issues you might have.

Please rollover map to select your region then click to select country of choice



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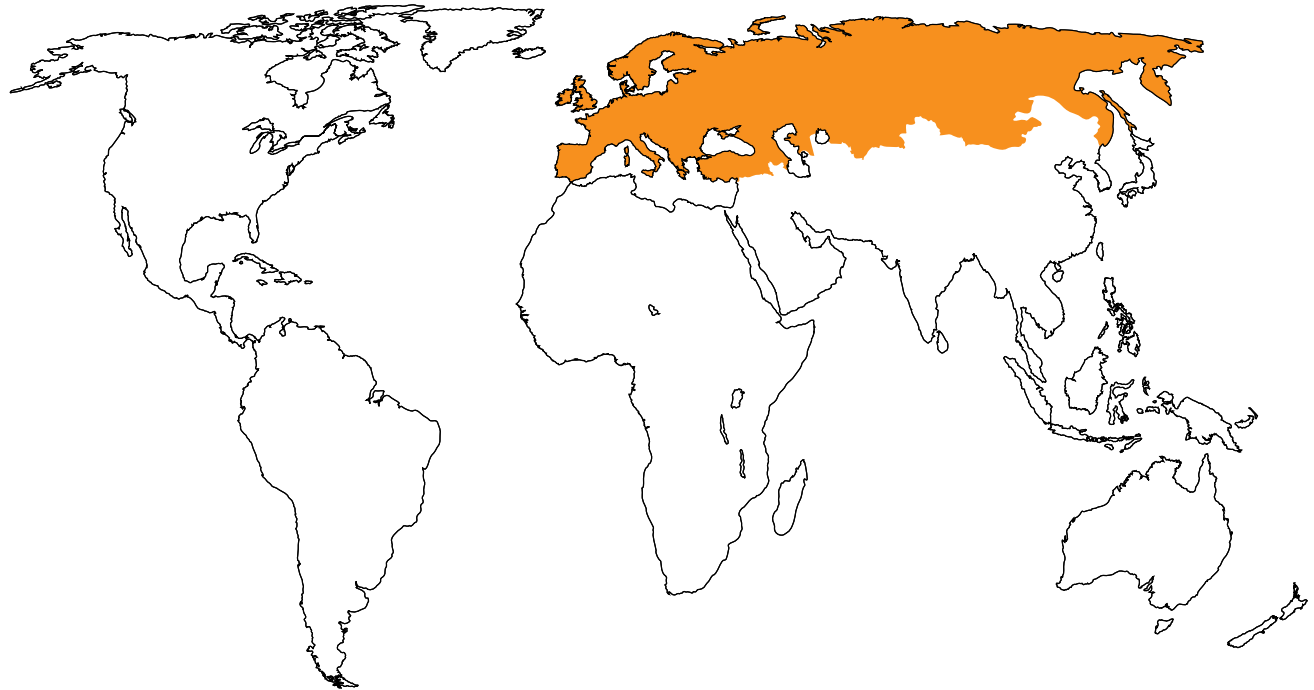
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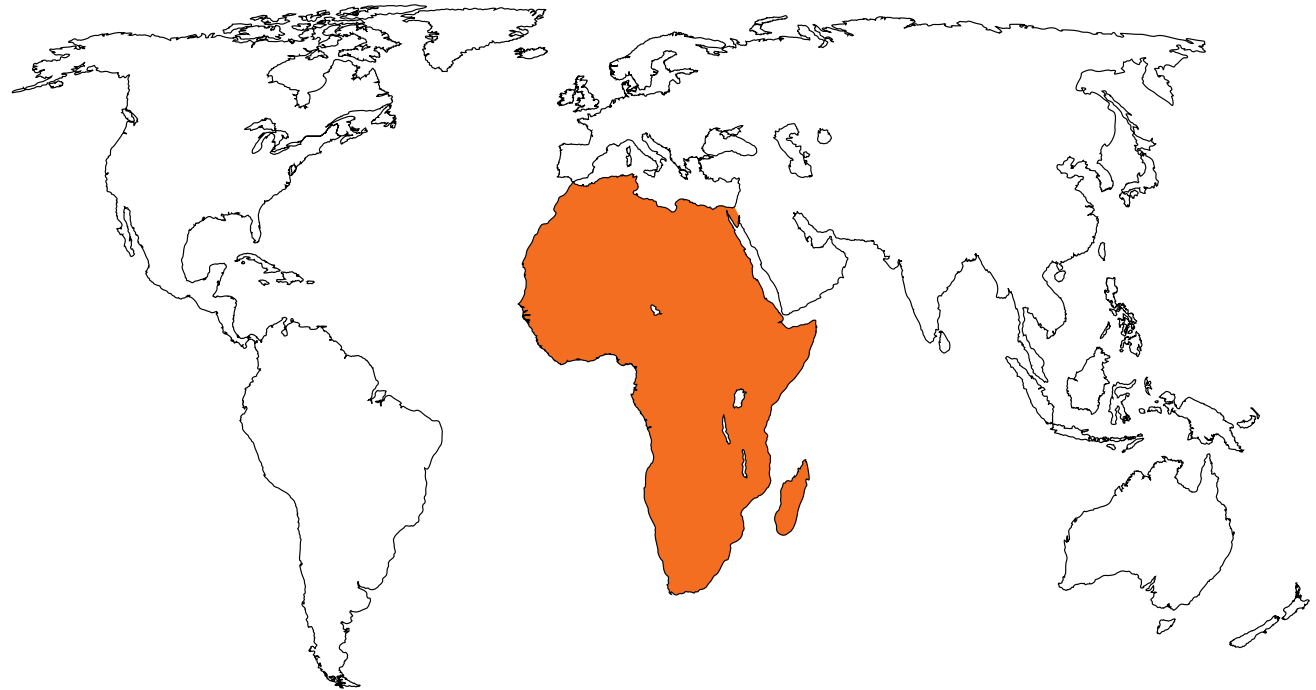
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Middle East

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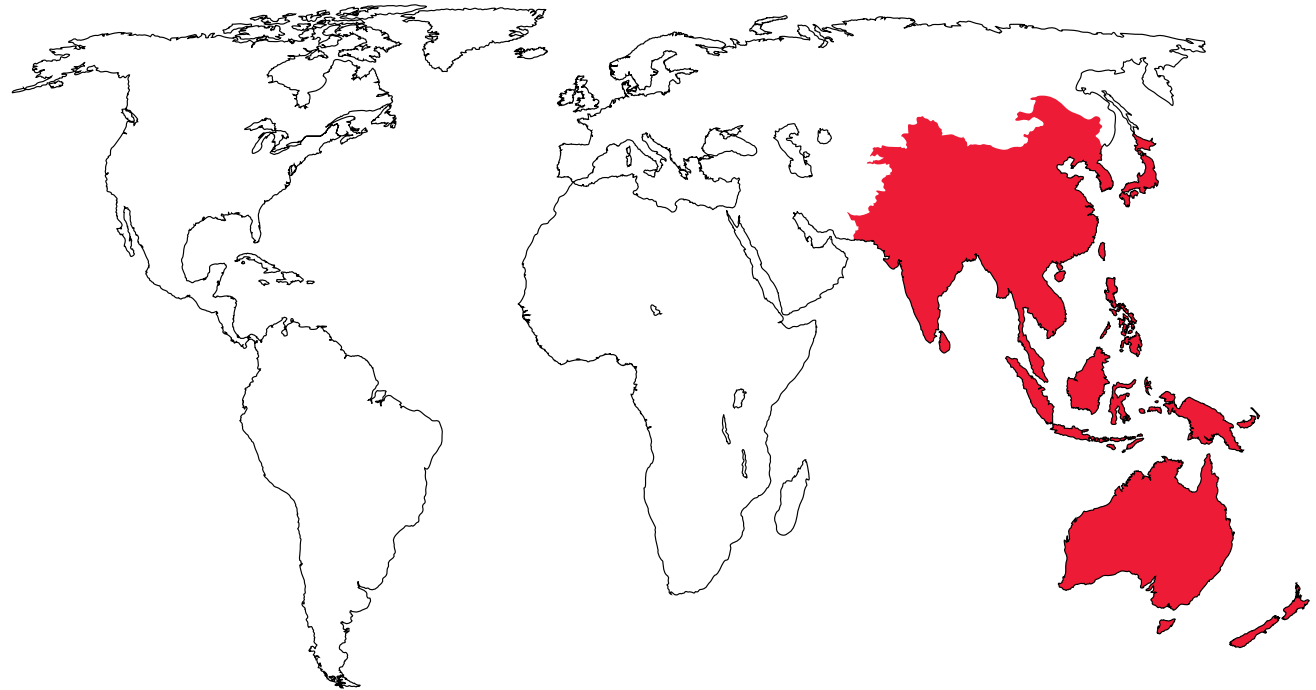
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Asia/Pacific

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Zambia

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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001 (Prohibition & Prevention of Money Laundering Act), 2010 (Prohibition & Prevention of Money Laundering (Amendment) Act # 44 2004 (Bank of Zambia Anti-Money Laundering Directives) and the Financial Intelligence Centre Act 2010.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Bank of Zambia - http://www.boz.zm/ Pensions and Insurance Authority – www.pia.org.zm
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	http://www.imf.org/external/pubs/ft/scr/2010/cr1017.pdf

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	There are no minimum transaction thresholds, under which customer due diligence is not required.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: A Zambian national has to present a national registration card or a valid passport or driving licence. In the case of a foreign national, a national registration card and a valid passport (and where applicable, an issued visa).</p> <p>Legal entities: Verify the identity of the directors, beneficial owners and management i.e. obtain Certificate of Incorporation or equivalent and details of the registered office/place of business; details of the nature of their business; the reason for the account being opened; indication of the expected turnover; the source of funds and a copy of the last available accounts where applicable.</p> <p>The Financial Intelligence Centre Act stipulates that:</p> <p>A reporting entity shall, with respect to each customer obtain and verify the following:</p> <ul style="list-style-type: none">a) For a natural person, the full name and address and date of birth and place of birth,b) For a legal entity, the corporate name, the head office address, identities of directors, proof of incorporation or similar evidence of legal status and legal form, provisions of governing the authority to bind the legal person, and such information as is necessary to understand the ownership and the control of the legal person,c) For legal arrangement, the name address of the trustees, the settler and the beneficiary of express trusts, and any other parties with the authority to manage, vary or otherwise control the arrangementd) In addition to the identity of a customer, the identity of any person acting on behalf of the customer, including evidence that such person is properly authorised to act in that capacity,e) Information on the intended purpose and nature of each business relationship; andf) Sufficient information about the nature and business of the customer to permit the reporting entity to fulfil its obligations under the Act.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Certification of relevant identification copies by a Commissioner of Oaths.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Regulated institutions should identify the beneficial owner of an account (regardless of whether it is a corporate body or trust opening the account) and if it fails to ascertain the identity of the said owner or person, it should make a report to the AML Investigations Unit.</p> <p>The Financial Intelligence Centre Act stipulates that a reporting entity shall identify the beneficial owner and shall take reasonable measures to verify the identity of the beneficial owner unless the Minister prescribes the circumstances, such as the ownership of publicly held corporations, in which such identification and verification is not necessary.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	For regulated institutions, the circumstances are to be determined by the regulated institution and approved by Bank of Zambia.

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	In the case of trusts and internet banking. Also in circumstances of suspicion as stated below: <ul style="list-style-type: none"> a) suspicious customer behaviour; b) suspicious customer identification circumstances; c) suspicious cash transactions; d) suspicious wire transfer transactions; e) suspicious safe deposit area activity; f) suspicious activity in credit transactions; g) suspicious commercial account activity; h) suspicious trade financing transactions; i) suspicious investment activity; and j) suspicious deposits.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The circumstances are to be determined by the regulated institution and approved by Bank of Zambia.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	A financial institution shall require its foreign branches and majority owned subsidiaries to implement the requirements to the extent that the domestic applicable laws of the host country so permit. Where the laws of the country in which its branch or majority owned subsidiary is situated prevent compliance with the obligations stipulated, institutions must advise its supervisory authority, which may take such steps as it believes to be appropriate to accomplish purposes of the Act.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes, the Financial Intelligence Centre Act stipulates that a shell bank shall not be established or permitted to operate in or through the territory of Zambia.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The standard due diligence procedure of identification and verification applies for non face-to-face transactions and/or relationships. Financial Intelligence Centre Act states that where any business relationship or execution of transactions is made with a customer that is not physically present, the following is required for purposes of identification: <ul style="list-style-type: none"> a) Take adequate measures to address the specific risk of money laundering, financing of terrorism and any other serious offence; b) Ensure that the due diligence conducted is no less effective than where the customer appears in person; and c) Require additional documentary evidence or supplementary measures to verify or certify the documents supplied by the customer, or confirmatory certification from financial institutions or other documentary evidence or measure may be prescribed.
Reporting	
Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious Activity reports are made to the Anti Money Laundering Investigations Unit and for financial institutions the Financial Intelligence Centre
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No there is no obligation to report anything more than suspicious transactions – please see response to Q13. Financial institutions are obliged to report where there is suspicion or reasonable grounds to suspect that any property is the proceeds of crime, or is related to or linked to, or is to be used for terrorism, terrorist acts or by terrorist organisations or persons who financed terrorism.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Any person who knows or suspects that an investigation into money laundering has been, is being or is about to be conducted, without lawful authority, divulges that fact or information to another person, shall be guilty of an offence and shall be liable, upon conviction, to a fine not exceeding one hundred and thirty-nine thousand penalty units (approximately ZMK25,020,000) or to imprisonment for a term not exceeding five years or to both. Financial Intelligence Centre act states that the penalties for tipping off upon convictions shall be liable to a fine not exceeding five hundred thousand penalty units (approximately ZMK90,000,000) or to imprisonment for a period not exceeding five years, or to both. A person who intentionally fails to submit a report to the Centre commits an offence and is liable, upon conviction to a fine not exceeding seven hundred thousand penalty units (approx ZMK126,000,000) or to imprisonment for a period not exceeding seven years, or to both.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	The regulated institution shall report to the AML Investigations Unit where the identity of the persons involved, the circumstances of any business transaction or where any cash transaction, gives any officer or employee of the regulated institution reasonable grounds to believe that a money laundering offence is being, has been or is about to be committed. Per the Financial Intelligence Centre acts – a financial institution shall refrain from carrying out a transaction which it suspects to be related to the money laundering, financing of terrorism or any other serious offence.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Although the local legislation does not specify this, one of the mandates of the Anti Money Laundering Investigations Unit is to cooperate with law enforcement agencies and institutions in other jurisdictions responsible for investigation and prosecution of money laundering offences.



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South Africa

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Last updated:
January 2012

General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	<p><u>AML laws</u> The Proceeds of Crime Act 2002 was enacted in 2002. The Financial Intelligence Centre Act, 38 of 2001 (FICA) was enacted in 2001. The Financial Intelligence Centre Amendment Act, 2008 (Act No. 11 of 2008) was released in August 2008 and became effective on 1 December 2010. Section 28 and Section 51 of FICA – the cash threshold reporting provisions - came into operation in October 2010.</p> <p><u>Regulations</u> The Money Laundering and Terrorist Financing Control regulations were enacted in 2002. The Money Laundering and Terrorist Financing Control regulations 2002 were amended in November 2010.</p>
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The main amendments to FICA do not detract from the original AML requirements but rather clarify areas in the law. The purpose of the amendments are <i>inter alia</i> to clarify the roles and responsibilities of supervisory bodies; authorise the Financial Intelligence Centre and supervisory bodies to conduct inspections; to provide for administrative sanctions and to make further provision for offences.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	<p>The Financial Intelligence Centre (www.fic.gov.za) fulfils an overarching regulatory role for combating money laundering and terrorist financing. Industry regulators and supervisory bodies provide oversight within the various industries</p> <ul style="list-style-type: none">a) South African Reserve Bank - www.resbank.co.za/b) Financial Services Board - www.fsb.co.za/c) Casinos - National Gambling Board - www.ngb.org.za/ Real Estate - Estate Agency Affairs Board - www.eaab.org.za/ Attorneys - Law Society - www.lssa.org.za/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The Financial Intelligence Centre Act has issued various guidance notes with regards to AML requirements. These can be obtained at https://www.fic.gov.za/SiteContent/ContentPage.aspx?id=15
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - banks and other accountable institutions were required to retrospectively identify and verify the identity and other information of all clients that held accounts with them at the time that the law became operational. An accountable institution that had an established business relationship with a client before the FIC Act took effect, may not conclude a transaction in the course of that business relationship, unless it has taken the prescribed steps to establish and verify the identity of the client.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes – although the FIC Act, 38 of 2001 and the regulations do not expressly make reference to a risk-based approach, it is covered in Guidance Note 1 issued by the FIC in April 2004. Accountable institutions are expected to apply a risk-based approach <i>inter alia</i> in respect of customer relationships.

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The last Mutual Evaluation conducted on South Africa was finalised in 2008. The applicable report was published on the 2 nd of March 2008. http://www.fatf-gafi.org/document/29/0,3746,en_32250379_32236963_42432029_1_1_1_1,00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - Due diligence is always required for all client relationships and single transactions, irrespective of the value involved. However the law does make provision for certain exemptions where a reduced level of due diligence is permitted. These exemptions form part of the FIC Act regulations and affect various industries.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals (SA residents) - an accountable institution must verify the full name, date of birth and identity number of a natural person to an identification document of that person. The residential address must be compared to information that can be used for verification purposes (e.g. a utility bill stating the residential address of the individual). Legal entities – the registered name, registration number, registered address, trading name and the address of the entity as well as the identity of the manager of the company; and each authorised person. The FIC Act regulations contain the detail of other requirements pertaining to these as well as other persons/entities (foreign nationals, agents, foreign companies, trusts, partnerships and close corporations.)
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Although the FIC Act stipulates that a record must be kept of the identity document, it does not specify the requirements pertaining to authentication. In terms of the guidance notes and best practices, it would be sufficient to review the original identity document and to obtain a copy of a document which is either certified by a Commissioner of Oaths; or where the original has been sighted by an employee of the accountable institution, and an indication of such is made on the copy. Guidance is also provided on non face-to-face verification by the FIC. Where non face-to-face verification is accepted as a means, the verification methods used must be as effective as those that are applied to customers who are available for an interview.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The FIC Act stipulates, <i>inter alia</i> , that the identity of the client, or if the client is acting on behalf of another person or if another person is acting on behalf of the client, must be established and verified. The regulations have put in place measures to determine beneficial owners in respect of entities. For example, the particulars of every member and every representative of a close corporation must be obtained. In respect of a company the particulars of its manager and representatives must be provided as well as the particulars of its major shareholders who are able to exercise more than 25% of the votes at a general meeting of the company. In respect of trusts, the identity of the founder, beneficiaries and trustees must be established.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Depending on the risk profile, the level of due diligence is simplified for low risk clients or in respect of existing clients who are applying for different products. The exemptions, which form part of the FIC Act regulations, contain detail of the circumstances under which reduced or simplified due diligence may be applied. Simplified due diligence applies <i>inter alia</i> to companies listed on approved stock exchanges (exemption 6) and banking products issued to customers subject to particular conditions and thresholds (exemption 17).

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	The FICA Guidance notes state that accountable institutions should follow a risk-based approach to customer due-diligence. Clients are given a risk-rating based on various risk factors. High-risk client types and high risk transactions and services warrant enhanced due diligence procedures. In respect of PEPs, non-face-to-face verification, correspondent banks, money service businesses, intermediary and employee accounts, enhanced due-diligence is recommended.

Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Guidance from the FIC defining PEPs stipulates that the bank should conduct enhanced due diligence specifically on PEPs, persons acting on their behalf as well as families and closely associated persons to the PEP, as they are considered high risk. The Wolfsberg principles as well as the FATF recommendations are referred to for additional guidance on how to recognise and deal with a PEP. In addition to performing customer due diligence measures, banks should put in place appropriate risk management systems to determine whether a customer, a potential customer or the beneficial owner is a PEP.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	The FIC guidance notes provide that banks should pay particular attention when continuing relationships with correspondent banks located in jurisdictions that have poor KYC standards or have been identified by FATF as being "non co-operative". The Wolfsberg principles are referred to which set out the following risk indicators that a Bank shall consider, to ascertain the level of due diligence it will undertake, namely the correspondent banking client's domicile, ownership, management structures and business and customer base.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	The FIC guidance notes provide that banks should refuse to enter into or continue a correspondent banking relationship with a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group (i.e. shell banks).

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The FIC Regulations and guidance notes provide for instances in which client information is obtained in a non face-to-face situation. In such cases, banks "must take reasonable steps" to confirm the existence of the client and to verify the identity of the natural person involved, for example, receipt of faxes. In accepting business from non face-to-face customers banks should apply customer identification procedures to non face-to-face customers that are as effective as those that were applied to customers who were available for interview; and there must be specific and adequate measures to mitigate the higher risk. Decisions concerning the additional steps to be taken in cases of a non face-to-face situation should be based on a bank's risk framework.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious Activity Reports are submitted to the Financial Intelligence Centre (FIC). https://www.fic.gov.za/Secure/Reports.aspx

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 36,990 SARs (FIC annual report 2010/11) GDP (in current prices): 2010 – USD363,704 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD9.8 million of GDP.

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, the Financial Intelligence Centre Act has additional reporting requirements as contained within its Regulations. These are: a) Regulation 22A: Information to be reported concerning property associated with terrorist and related activities. b) Regulation 22B: Cash threshold reporting
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Transactions below ZAR24,999 need not be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, a person found guilty of such an offence may be fined ZAR100 million or imprisoned for up to 15 years.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Once a suspicious transaction has been reported, section 33 of the Financial Intelligence Centre Act allows an accountable institution to continue with the relationship until directed otherwise by the Financial Intelligence Centre. This is confirmed by Guidance Note 4 on Suspicious Transaction Reporting, issued by the Financial Intelligence Centre on the 14 th of March 2008.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No. South African law only applies within the borders of the country.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Kenya

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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2010. The Proceeds of Crime and Anti-Money Laundering Act 2009 was enacted on 11 December 2009, assented on 31 December 2009 and its commencement date was on 28 June 2010.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	There was no AML regime per se in existence previously. However, the 1994 Narcotic Drugs and Psychotropic Substances Control Act prohibits concealing or transferring the proceeds of drug trafficking.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	The Money Laundering Act provides for a Financial Reporting Center. This Center is yet to be set up. In the interim, the respective supervisory bodies as outlined below act as the regulators to their member companies. a) Central Bank of Kenya b) Insurance Regulatory Authority c) Betting & Licensing Control Board d) Capital Markets Authority e) Institute of Certified Public Accountants of Kenya f) Estate Agents Registration Board g) Non – Governmental Organisations Co-ordination Board h) Retirement Benefits Authority
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes. The Central Bank of Kenya has on occasions provided guidance notes regarding AML requirements. www.centralbank.go.ke
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - for telegraphic transfers and travellers cheques. A foreign exchange bureau should not sell foreign currency or travellers cheques in excess or equal to the equivalent of USD10,000 per customer per day without seeing and recording a valid identification document.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals:</p> <ul style="list-style-type: none"> a) an official record such as passport, birth certificate, identity card or driving licence; b) address verified by a referee or utility bill; c) source of income; and d) written confirmation from the customer's previous bank attesting to their identity and account relationship history (bank referee). <p>Corporates / Firms:</p> <ul style="list-style-type: none"> a) Certificate of Registration, Certificate of Incorporation, Partnership Deed, Memorandum and Articles of Association; b) Board Resolution stating authority to open accounts and designating persons having signatory authority; c) identity and address of the chairman, managing director, or the general partner and at least one limited partner for partnerships, or the principal owner for sole traders; d) audited financial statements for corporations; and e) where applicable, written confirmation from the customer's previous bank.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Documents must be certified by suitable third parties and confirmation from the previous bank obtained where possible. Suitable third parties include advocates, notaries public, commissioners of oath, judges, magistrates and certain government officials.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Local guidance requires institutions to have full disclosure of beneficial owners or controlling persons behind nominee accounts.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None stated in local regulations or guidance.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	None stated in local regulations or guidance.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>As with face-to-face verification, the procedures to check identity must ensure that a person bearing the name of the applicant exists and lives at the address provided; and the applicant is that person he claims he is.</p> <p>Independent means of verifying these details includes requesting sight of a recent utility bill, local authority tax bill or institution statement (care should be taken to check that the documents offered are originals in order to guard against forged or counterfeit documents.); checking a local telephone directory (for businesses); making telephone contact with the applicant on an independently verified home or business number; verifying salary details appearing on a recent bank account statement; or with the customer's consent, calling their employer's personnel department to confirm employment etc.</p>
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Local guidance requires the following due diligence: requesting sight of a recent utility bill, local authority tax bill, institution statement or checking a local telephone directory (for businesses). In addition, satisfactory evidence of personal identity can be obtained by a number of means, including telephone contact with the applicant on an independently verified home or business number, employer's personnel department confirming employment by verbal confirmation on a listed number (with the customer's consent), and salary details appearing on a recent bank or building society statement.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Act requires that SARs are made to the Financial Reporting Center. However this Center is yet to be set up, therefore all SARs are to be made to the Central Bank of Kenya. www.centralbank.go.ke

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	The Act requires monitoring on an ongoing basis all complex, unusual, suspicious, large or other transactions, and upon suspicion, it should be reported accordingly.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	"Tipping off" is considered to be an offence under the Act, however the applicable penalty is not stipulated.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No. However, the reporting institution is required to keep all records relating to that transaction and ensure that its reporting obligations under the Act are discharged.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	While local legislation does not allow transactions to be monitored outside the jurisdiction per se, the Act provides for international assistance in investigations and proceedings relating to money laundering.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2008. The Anti-Money Laundering Act of 2008 (Act 749), and the Anti-Money Laundering Regulations 2008 (LI 1925).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Banks were to comply with the Bank of Ghana and/or parent bank KYC policies/procedures. No financial intelligence centre reporting requirements. Bank of Ghana Supervision Department (and also Security agencies and Serious Fraud Office) played the quasi-role of a centre investigating 'suspicious' transactions.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Financial Intelligence Centre (website not available).
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes (website not available).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No – however, banks are encouraged to ensure that due diligence on customers is a continuous exercise.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The assessment body 'GAIBA' performed an assessment in 2009 (Source: FATF website).

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – equivalent of USD10,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: Information required for individuals includes: legal name and other names, location of client, telephone, fax numbers, mailing address, date and place of birth, nationality, hometown, occupation, position held and employer's name, identity documents, nature of the business relationship and signature.</p> <p>Legal entities: They require a registered name, location address, head office, mailing address, contact phone and fax numbers, original or certified copy of regulations, certificate of business registration and commencement of business, copy of latest auditor's report and accounts, annual report filed with the Registrar General and names, location and mailing addresses of directors.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Identity shall be verified whenever a business relationship is to be established, on account opening or during one-off transaction or when series of linked transactions take place
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	When one person is acting on behalf of another, the obligation is to obtain sufficient evidence of the identities of the two persons involved. In consortium lending, the lead manager/agent shall supply a confirmation letter as evidence that he has obtained the required identity.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence is required when dealing with Politically Exposed Persons ('PEPs').
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence is required for PEPs. Senior Management approval must be sought before establishing a relationship with such a person. It is also a requirement to establish the PEP's source of wealth/source of funds and the beneficial owners.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	If the broker or other introducer is a regulated person or institution (including an overseas branch or subsidiary) from a country with equivalent legislation and financial sector procedures, and the broker or introducer is subject to anti-money laundering rules or regulations, then a written assurance can be taken from the broker that he/she has obtained and recorded evidence of identity of any principal and underlying beneficial owner that is introduced.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The specific requirements are in process of being formalised by the Bank of Ghana.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Intelligence Centre (website not available).

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes - reporting should not be limited to Suspicious Transaction Reports (STRs) alone.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	AML law and regulations became effective in 2005 and are only applicable for banks.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	a) Banking Commission. www.beac.int b) None c) None
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - an update of the customer database is required.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No – There is no risk based approach approved by the local regulator.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - the country has been subjected to a FATF evaluation, but the report is not publicly available.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - there are no minimum transaction thresholds under which customer due diligence is not required.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	The requirements are: a) verification of the identity and address of the customer by reference to official identity papers; b) for legal entities, the verification of legal documents and legal representatives is required; c) public officials require a heightened scrutiny; d) the bank must collect information to cover the following: anticipated account activity, source of wealth and sources of funds.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	None in the practice. Copies of identification documentation are only made by the bank after a visual check. Independent verification is not required.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The requirements are: a) Obtain information on the beneficial owner; b) Verification of the identification and the address of the professional intermediary.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Customer due diligence arrangements are reduced for low value transactions.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Customer due diligence is enhanced for unusual or suspicious activities/transactions.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	For a PEP, the bank's senior management may give authorisation before an account opening. The transactions in their accounts require heightened scrutiny.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Banks must acquire information on the compliance of their correspondent with Anti Money laundering regulation. The relationship must not be established if the correspondent is not compliant with AML regulation.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	For a non face-to-face relationship, a bank must consider the need to perform independent verification.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The suspicious activity report is addressed to the National Agency for financial investigation (ANIF).

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There is an obligation to report on transaction where the identity of the beneficiary or the originator is suspicious.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2002
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	<ul style="list-style-type: none">a) Banking: CBE (Central Bank of Egypt): www.cbe.org.eg/b) Other financial Services: It depends on the nature of the financial services (e.g. Insurance companies are regulated by the EISA (Egyptian Insurance Supervisory Authority). However, all of the "non-banking" financial services providers are governed and regulated by the EFSA (Egyptian Financial Supervisory Authority);c) Non financial sector: Governed by the "Anti Money Laundering Law"- Law # 80 for year 2002.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: should obtain name, address and date of birth, ideally from government-issued documents such as government identification, passport and weapon licence that includes the customer's full name and photograph, and either address or date of birth. Corporates: should obtain full name, Commercial Register copy, business address, and additionally for private companies, names of all directors and beneficial owners. This should be clearly noted in the Commercial Register of the company and also show the authorised signatories of the company. If the company is regulated (e.g. insurance or capital markets) it should provide confirmation of the company's listing on the regulated market or a copy of the company's Certificate of Incorporation.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of documents should be authenticated by a banks' senior staff after reviewing and verifying the original documents. Only copies certified and stamped by governmental bodies/authorities can be relied upon by banks. Authenticated copies from attorneys or other third parties are not accepted unless original copies are obtained.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Each natural or legal person having a real interest in any of the activities of financial institutions, even if the transaction is conducted via another natural or legal person acting as a trustee, a proxy or under any other capacity, should provide documentation to verify identity.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None stated in local regulations or guidance.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Yes - the law states that financial institutions and the other entities shall take special customer due diligence measures when dealing with customers, those who act on their behalf and the real beneficiary, who are identified as PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	None stated in local regulations or guidance.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SARs are made directly to regulators as specified in Q3 above.

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - as stated in the Egyptian AML Law (Anti Money Laundering Law- Law # 80 for year 2002).

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes - as stated in the Egyptian AML Law (Anti Money Laundering Law- Law # 80 for year 2002).

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	AML law and regulations became effective in 2007 and are only applicable for banks.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	a) Banking Commission. www.bceao.int b) None c) None
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - an update of the customer database is required.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No – there is no risk based approach approved by the local regulator.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - the country has been subjected to a FATF evaluation, but the report is not publicly available.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - there are no minimum transaction thresholds under which customer due diligence is not required.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	The requirements are: a) verification of the identity and address of the customer by reference to official identity papers; b) for legal entities, the verification of legal documents and legal representatives is required; c) public officials require a heightened scrutiny; d) the bank must collect information to cover the following: anticipated account activity, source of wealth and sources of funds.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	None in the practice. Copies of identification documentation are only made by the bank after a visual check. Independent verification is not required.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The requirements are: a) Obtain information on the beneficial owner; b) Verification of the identification and the address of the professional intermediary.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Customer due diligence arrangements are reduced for low value transactions.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Customer due diligence is enhanced for unusual or suspicious activities/transactions.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	For a PEP, the bank's senior management may give authorisation before an account opening. The transactions in their accounts require heightened scrutiny.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Banks must acquire information on the compliance of their correspondent with Anti Money laundering regulation. The relationship must not be established if the correspondent is not compliant with AML regulation.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	For a non face-to-face relationship, a bank must consider the need to perform independent verification.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	National Centre for Processing of Financial Information (CENTIF). www.centif.ci
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 56 SARs GDP (in current prices): 2010 – USD22,780 million (Source: data.worldbank.org *) This results in a ratio of 1 SAR for every USD406.8 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There is an obligation to report on transactions where the identity of the beneficiary or the originator is suspicious.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	AML law and regulations became effective in 2005 and are only applicable for banks.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	a) The Banking Commission. www.beac.int b) None c) None
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - an update of the customer database is required.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No – there is no risk based approach approved by the local regulator.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes the country has been subjected to a FATF evaluation, but the report is not publicly available.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - there are no minimum transaction thresholds under which customer due diligence is not required.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<ul style="list-style-type: none">d) verification of the identity and address of the customer by reference to official identity papers;e) for legal entities, the verification of legal documents and legal representatives is required;f) public officials require a heightened scrutiny;g) the bank must collect information to cover the following: anticipated account activity, source of wealth and sources of funds.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	None, in practice. Copies of identification documentation are only made by the bank after a visual check. An independent verification is not required.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<ul style="list-style-type: none">a) Obtain information on the beneficial owner;b) Verification of the identification and the address of the professional intermediary.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Customer due diligence arrangements are reduced for low value transactions.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Customer due diligence is enhanced for unusual or suspicious activities/transactions.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	For a PEP, the bank's senior management must give authorisation before an account opening. The transactions in their accounts require heightened scrutiny.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Banks must acquire information on the compliance of their correspondent with Anti Money laundering regulation. The relationship must not be established if the correspondent is not compliant with AML regulation.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	For a non face-to-face relationship, a bank must consider the need to perform independent verification.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	National Agency for financial investigation (ANIF). www.anif.cm

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 124 SARs</p> <p>GDP (in current prices): 2010 - USD22,394 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD180.6 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There is an obligation to report on transactions where the identity of the beneficiary or the originator is suspicious.
Q21.	Are there any de minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2010. Law n.º 12/10 was issued on 9 July 2010.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	The regulators for AML controls are: a) Banco Nacional de Angola - www.bna.ao b) Direcção Nacional de Investigação e Inspeção das Actividades Económicas do Comando Geral da Policia Nacional - http://www.policiaeconomica.gv.ao/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Law n.º 12/10 does not make any reference to requirements to retrospectively verify the identity of customers before the date the new AML regime was introduced. This may be clarified in Regulations expected to be issued in the near future.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Law n.º 12/10, provides that, in compliance with identification and diligence requirements, financial institutions can adapt the nature and scope of verification and diligence procedures, taking into account the risk associated with the type of customer, the business relationship, the product, the type of transaction and the origin or the purpose of the funds.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Angola has not been the subject of a FATF Mutual Evaluation. However, in June 2011, FATF published a Global AML/ CFT Compliance publication where Angola's AML regime is briefly analysed. The link to this publication is http://www.fatf-gafi.org/document/29/0,3746,en_32250379_32236992_48263965_1_1_1_1.00.html . Angola's IMF link is http://www.imf.org/external/country/ago/index.htm .

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - occasional transactions under USD15,000 (or equivalent in local currency).
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals - should provide a valid document detailing full name, photograph, birth date and nationality. Corporates - should provide a valid document with their deeds of incorporation or valid licence (certification should be made through the card Cartão de Identificação de Pessoa Colectiva or Certidão do Registo Comercial). If the company is non-resident, identification should be in the form of an equivalent document.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	The copies of documentation must be certified.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	N/A.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<ol style="list-style-type: none">where the customer is a State or a Public Sector Entity (at country, regional or local level);where the customer is a Governmental Authority or Public Institute subject to transparent accounting practices and supervision; andwhere the customer is an entity that provides postal services.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Entities shall apply enhanced due diligence measures in respect of customers and transactions which by their nature or characteristics can present a higher risk of money laundering or terrorist financing. Those measures are always required when operations are carried out with non face-to-face customers; with Politically Exposed Persons ('PEPs'), a resident outside the national territory; in the case of correspondent banking transactions with credit institutions established in third countries; and those designated by the competent supervisory authorities.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	A non resident PEP relationship requires additional due diligence. When establishing a relationship with a non resident PEP, the entities should have appropriate risk based procedures to determine whether the customer is a PEP; have approval from senior management before establishing business relationships with such customers; take adequate measures to establish the source of wealth and funds involved in the business relationship or occasional transactions; and conduct enhanced ongoing monitoring of the business relationship.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Additional measures are required for correspondent banking relationships. However, those measures are not described in the Law.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Non face-to-face relationships (especially those that can favour anonymity) require additional due diligence. In such relationships, the institution should either ask for additional documentation to verify/ certify the documentation provided by the customer. This may be provided by another financial institution or it can be requested that the first payment is made through an account opened in the name of the customer with another financial institution.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Banco Nacional de Angola - www.bna.ao Direcção Nacional de Investigação e Inspeção das Actividades Económicas do Comando Geral da Polícia Nacional - http://www.policiaeconomica.gv.ao/ .

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	<p>In 1970 the United States Congress passed the Currency and Foreign Transactions Reporting Act, commonly known as the Bank Secrecy Act (BSA). The BSA established specific requirements for record keeping and reporting by private individuals, banks and other financial institutions. Since the passing of the BSA, several other laws have enhanced and amended the BSA to provide additional tools to combat money laundering. The key laws are:</p> <ul style="list-style-type: none">a) Money Laundering Control Act (1986)b) Anti-Drug Abuse Act of 1988c) Annunzio-Wylie Anti-Money Laundering Act (1992)d) Money Laundering Suppression Act (1994)e) Money Laundering and Financial Crimes Strategy Act (1998)f) Uniting and Strengthening America by Providing Appropriate Tools to Restrict, Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act)*g) Intelligence Reform & Terrorism Prevention Act of 2004h) Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 <p>* The USA PATRIOT Act of 2001 is the most significant of the enhancements and amendments to the BSA.</p>
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.)? Please include link to the regulator(s) website
A3.	<p>The Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department is the US regulator for AML regulations http://www.fincen.gov/. FinCEN relies on other US regulators to apply and examine for compliance with FinCEN's regulations. These other regulators are as follows:</p> <ul style="list-style-type: none">a) Banking: Depending upon the type of banking charter an institution has, and its membership in the Federal Reserve System, a bank's federal regulator will be one of the following:<ul style="list-style-type: none">a. Board of Governors of the Federal Reserve System (Fed) http://www.federalreserve.gov/b. Office of the Comptroller of the Currency of the U.S. Treasury Department (OCC) http://www.occ.treas.gov/c. Federal Deposit Insurance Corporation (FDIC) http://www.fdic.gov/b) Other Financial Services:<ul style="list-style-type: none">a. Credit Unions: National Credit Union Administration (NCUA) http://www.ncua.gov/Pages/default.aspxb. Broker Dealers: U.S. Securities and Exchange Commission (SEC) http://www.sec.gov/ and the Financial Industry Regulatory Authority (FINRA) http://www.finra.org/index.htmc. Registered Mutual Funds: U.S. Securities and Exchange Commission http://www.sec.gov/d. Commodity and Futures Firms: U.S. Commodities Futures Trading Commission (CFTC) http://www.cftc.gov/index.htm and the National Futures Association (NFA) http://www.nfa.futures.org/e. Money Services Businesses (MSB): The Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department http://www.fincen.gov/f. Insurance Companies: The Internal Revenue Service (IRS) of the U.S. Treasury Department http://www.irs.gov/g. Non-bank residential mortgage lenders and originators as loan or finance companies: The Internal Revenue Service (IRS) of the U.S. Treasury Department http://www.irs.gov/c) Non-Financial sector: The Internal Revenue Service (IRS) of the U.S. Treasury Department http://www.irs.gov/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	<p>Banking: Federal Financial Institutions Examination Council (FFIEC): http://www.ffiec.gov/bsa_aml_infobase/default.htm Broker Dealers: http://www.sec.gov/spotlight/moneylaundering.htm and http://www.finra.org/Industry/Issues/AML/ Registered Mutual Funds: http://www.sec.gov/spotlight/moneylaundering.htm Commodity and Futures Firms: http://www.cftc.gov/IndustryOversight/AntiMoneyLaundering/index.htm and http://www.nfa.futures.org/NFA-compliance/NFA-futures-commission-merchants/anti-money-laundering.HTML</p>

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Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - a risk based approach to AML is expected by US regulators. BSA/AML US regulatory guidance is provided in the Federal Financial Institutions Examination Council (FFIEC) BSA/AML Examination Manual (April 2010).
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - basic due diligence is required for all accounts/customers regardless of transaction amounts.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>At a minimum, a financial institution must obtain the following identifying information from each customer before opening an account:</p> <ul style="list-style-type: none"> a) name b) address c) date of birth (for individuals) d) identification number (e.g. Taxpayer Identification Number (TIN) or passport number) <p>The identity of the customer must be verified within a reasonable amount of time after the account is opened; however, generally the identity is verified before an account is opened. The identity is verified by either the use of document verification (see examples below), or through the use of non-documentary methods (such as by comparing information provided by the customer to public databases/credit bureaus, and using third party vendors which do comparisons) or a combination of both.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	The requirements for document verification and authentication should be commensurate with the level of AML risk, and as such requirements can differ based upon the account/customer type and assigned risk rating. US regulations do not specify independent verification or authentication of identification. However, many financial institutions will use a combination of documentary and non-documentary methods to verify the identity. The non-documentary methods would provide independent validation of identity information provided by the customer. For individuals, the original government issued photo identification should be seen and when not possible, the identification should be certified by a notary public.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Financial institutions are required to take reasonable steps to obtain and retain information on the beneficial owners of a customer entity and are required to perform an appropriate level of due diligence on the beneficial owners for any account opened or maintained in the US. The level of ownership in a customer entity that triggers beneficial owner identification and due diligence should be determined by the AML risk profile of the customer. It is generally considered that at a minimum any beneficial owner holding >25% interest in the customer entity should be subject to due diligence. The percentage of ownership that triggers due diligence should be lower as the AML risk of the customer/account increases.</p> <p>For identified beneficial owners, the KYC and identification requirements must be followed.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	The basic due diligence noted in A9 is required for all accounts/customers opened or maintained in the US that meet the definition of a customer.

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>The USA PATRIOT Act requires financial institutions to increase their due diligence standards when dealing with foreign private banking and correspondent accounts. In addition, customers classified as high risk according to the institution's customer risk rating methodology would be subject to enhanced due diligence. Factors that would be considered in determining a customer's risk rating would include at a minimum: geography, nature of business/employment, products and services used. Local guidance also has information on products, services, customers and entities that pose higher risks and enhanced due diligence for high risk customers, such as:</p> <ol style="list-style-type: none">account activity that is substantially cash-intensive;an entity whose account activity consists primarily of questionable funds transfers, especially to/from high-risk jurisdictions;a business entity whose bearer shares are not under bank or trusted third party control;an entity that uses a wide range of bank services, particularly foreign private banking and correspondent services;an entity owned or controlled by off-shore, non-public business entities; orprivate investment companies or trust accounts; <p>The KYC program should also include periodic risk based monitoring of the customer information to determine if there are any substantive changes to the original customer information. High risk customer relationships are generally reviewed annually.</p>

Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>The USA PATRIOT Act requires financial institutions to conduct enhanced scrutiny of private banking accounts requested or maintained by or on behalf of senior foreign political figures. Risk factors that may require additional due diligence for PEPs include geographic location, individual's position or authority, products and services used, and complexity of the account relationships.</p>

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Enhanced due diligence should be performed for the owners of any foreign bank whose shares are not publically traded. The identity of each of the owners of the foreign bank, and the nature and extent of the ownership interest of each owner should be determined. Enhanced scrutiny of the transactions associated with any correspondent accounts should be performed to guard against the increased risk of money laundering, in order to identify and report any suspicious transactions as required by US regulations and law. The level of enhanced scrutiny of any account should be supported by the institution's annual AML risk assessment and the customer's risk rating. In addition to the normal due diligence requirements, enhanced due diligence should include:</p> <ol style="list-style-type: none">obtaining information relating to the foreign bank's AML program to assess the risk of money laundering presented by the correspondent account;monitoring transactions to, from, or through the correspondent account in a manner reasonably designed to detect money laundering and suspicious activity;obtaining information from the foreign bank about the identity of any person with authority to direct transactions through any correspondent account that is a payable through account and about the sources and the beneficial owner of funds or other assets in the payable through accounts; anddetermining whether the foreign bank for which the correspondent account is maintained in turn maintains correspondent accounts for other foreign banks that use the foreign bank's correspondent account and if so, take reasonable steps to obtain information relevant to assess and mitigate any money laundering risks associated with the foreign bank's correspondent accounts for other foreign banks.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Financial institutions should take account of money laundering risks inherent to non face-to-face customer relationships. Where a customer approaches an institution remotely, the institution should deploy additional monitoring controls against transactions originating in these higher risk accounts. Local guidance includes examples of non-documentary verification methods that a financial institution may use, including:</p> <ol style="list-style-type: none">contacting a customer after the account is opened;requiring identification documentation to be notarised; andcomparing the identifying information against fraud and negative check databases, etc.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	<p>The Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department http://www.fincen.gov/forms/bsa_forms/index.html#SAR</p>

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 1.3 million SARs http://www.fincen.gov/news_room/rp/sar_tti.html.</p> <p>GDP (in current prices): 2010 – USD14,586,736 million (Source: data.worldbank.org*)</p> <p>This results in a ratio of 1 SAR for every USD11.2 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>Yes. Additional reporting includes:</p> <ul style="list-style-type: none">a) Currency Transactions Reports (CTR)b) Report of International Transportation of Currency or Monetary Instruments (CMIR)c) Foreign Bank Account Report (FBAR); andd) Transmittal orders for funds transfers (the Travel Rule)
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	<p>Yes, depending upon the type of transaction for various reporting:</p> <ul style="list-style-type: none">a) SARs transactions aggregating below \$5,000b) CTRs transactions aggregating \$10,000 or lessc) CMIRs transactions aggregating \$10,000 or lessd) FBARs when the aggregate value of the foreign financial accounts are \$10,000 or less during the calendar yeare) Transmittal orders for funds transfers (the Travel Rule) below \$3,000.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>Yes. Penalties for non-compliance are noted in the Bank Secrecy Act, as amended, at http://www.fincen.gov/statutes_regs/bsa/, as well as in the regulations of Financial Crimes Enforcement Network (FinCEN) at http://www.fincen.gov/.</p>
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	<p>No. While there are no legal or regulatory requirements to use an automated system, the sophistication of monitoring systems should be dictated by the institution's risk profile, with particular emphasis on the composition of higher-risk products, services, customers, entities, and geographies.</p>
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	<p>No.</p>
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	<p>Yes, but the financial institution should determine which transactions can be monitored outside its jurisdiction on a risk adjusted basis.</p>

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2009 - Law No. 18.494 – introduced several modifications to Law 17.835. 2004 - Law No. 17.835 – system controls and prevention of money laundering and financing of terrorism 1998 - Law No. 17.016 – standards with regard to the misuse of public power (corruption) Previously, Uruguayan AML Laws focused on the illicit traffic of narcotic drugs but have been gradually extended to other crimes
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Uruguayan Central Bank (UCB) - http://www.bcu.gub.uy/ Internal Audit of the Nation - http://www.ain.gub.uy/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - the Unit of Financial Information and Analysis (U.I.A.F.) of the UCB has issued guidance with regard to suspicious or unusual transactions in order to assist the parties required to report these transactions in the detection of unusual or suspicious patterns in customer behaviour. Although the published guidelines are not exhaustive, they constitute a collection of types or patterns of transactions that could be linked to money laundering operations from criminal activities or terrorist financing. Uruguayan Central Bank - http://www.bcu.gub.uy/
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - the Uruguayan Central Bank ('UCB'), supervisor of the financial system, established the requirement to periodically update information on existing clients, especially in the case of 'high risk' customers.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - the UCB has established that the supervision process must be proactive and integrity orientated, focused on risks and performed on a consolidated basis. The Corporate Governance and Internal Control System Regulations which are in force (UCB Circular 1987) establish that institutions must have a risk framework according to the nature, size and complexity of their transactions. An AML framework is specifically required.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Participation in GAFISUD (Grupo de Acción Financiera de Sudamérica), according to the available Uruguayan Central Bank Report 2010:

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - customer due diligence is not required on transactions below USD3,000 with occasional customers.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The institutions must identify their customers in compliance with the UCB requirements when they open accounts or when they process transactions, with the exception of transactions with occasional customers below USD3,000. The UCB regulations establish the minimum identification requirements for individuals and legal entities.</p> <p>For individuals these requirements are:</p> <ol style="list-style-type: none">name and surname;date and place of birth;identification document;marital status;address and telephone number;main activity or occupation; andvolume of income (salary and other earnings). <p>It should be ascertained whether the customer is acting on their own or on behalf of a third party. In the latter case, the ultimate beneficiary should be identified. The same information should be obtained on all owners, agents, representatives and those authorised to operate on behalf of individual clients. It should be ascertained whether the information on level of incomes of these customers constitutes the source of income of the account.</p> <p>For legal entities these requirements are:</p> <ol style="list-style-type: none">company name;established date;address and telephone numbertax identification number;bylaws and other information on the entity as registry number, etc.;main activity;volume of income (on financial statements); andshareholders and ultimate beneficial owners. <p>The above mentioned data required for individuals must be obtained for those listed as corporate managers and representatives, agents and those authorised to act on the company's behalf. It should be ascertained whether the information on level of incomes of these customers constitutes the source of income of the account.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Notary certification and signature verification are required to certify the validity of the documents provided. Each institution also has its own policies and procedures to verify the documents and its copies.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Financial institutions must implement procedures in order to identify the ultimate beneficial owner of each transaction, verify their identity and register their names as well.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced/simplified due diligence arrangements are available to 'occasional customers'. The UCB regulation Art. 39.5 defines 'occasional customers' as those who do not demand transactions on a permanent basis and whose total amount of transactions with the institution is less than USD30,000 on an annual basis.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required for 'permanent customers'. Institutions must analyse each customer and classify them according to their activity, residence and risk profile. Institutions must obtain, evaluate and register additional information about the financial situation, in order to justify the customer's transactions and the origin of funds for those customers classified as 'high risk' and those with transactions over a certain limit.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Financial institutions should apply additional due diligence procedures in the case of PEPs, their relatives and their associates. Financial institutions should: <ul style="list-style-type: none">a) rely on procedures that allow them to determine whether a client is a PEP;b) get senior management approval upon establishing a new relationship with this type of client;c) take reasonable measures in order to determine the origin of the funds; andd) carry out a special and permanent assessment of the customer's transactions.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	For correspondent banking relationships, local institutions must obtain the following information in relation to foreign institutions: <ul style="list-style-type: none">a) the nature of their business;b) management details;c) reputation;d) principal activities and location of the premises;e) account purpose;f) regulation and supervision in their country;g) political context; andh) procedures applied in order to prevent being used for laundering of assets or financing of terrorism.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - it is not permitted to perform any type of business with financial institutions established in jurisdictions that do not require physical presence. It is also not permitted to establish a relationship with foreign institutions which allow shell banks to open accounts.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Financial institutions must implement special procedures to verify the relevant identity and to control non face-to-face transactions such as non-resident or e-banking transactions.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Reports are made to the U.I.A.F., which was established by Resolution of the Board of Uruguayan Central Bank Uruguayan Central Bank - http://www.bcu.gub.uy/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 214 SARs (Uruguayan Central Bank) GDP (in current prices): 2010 – USD40,265 million (Source: data.worldbank.org*) This results in a ratio of 1 SAR for every USD188.1 million of GDP.

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>By the above mentioned Circular No. 1722 of UCB dated 12/21/2000, transactions considered suspicious can be conducted on a periodic basis or isolated and that according to the customs of the activity concerned, are unusual, with no apparent economic or legal justification, or of unusual or unjustified complexity.</p> <p>Subjects required to report must immediately inform the U.I.A.F regarding transactions covered by this where there is evidence or suspicion of involvement in the legitimisation of assets derived from criminal activities.</p> <p>In addition, financial intermediation institutions must notify the Uruguayan Central Bank and provide information regarding physical or legal persons carrying out the following transactions:</p> <ul style="list-style-type: none"> a) operations consisting of coins, currency conversion, foreign cheques, precious metals, bank deposits, shares or other securities which are easy to redeem, for amounts in excess of USD10,000 or its equivalent in other currencies; b) receiving and sending of money orders and transfers (including international transfers) for amounts in excess of USD1,000 or its equivalent in other currencies, regardless of the mode of operation used for execution. Transfers and money orders are exempted from the obligation to be reported if they are made between bank accounts in cases where both the account of origin and destination are based in local financial intermediaries; c) purchase or sale, exchange or arbitration of foreign currency or precious metals for an amount over USD10,000 or its equivalent in other currencies, where the counterpart is made in cash.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	See Q20 above
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - Fines and penalties from Uruguayan Central Bank and National Internal Audit Office.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	After a present time, if there is no a response from Uruguayan Central Bank regarding the reported transaction, the institution should consider if it is appropriate to proceed with the transaction with the customer.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1997
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Secretaría de Prevención de Lavado de Dinero (SEPRELAT) www.seprelad.gov.py/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last 3 years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - Due diligence procedures are not required on transactions below USD10,000.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The law and its procedures define minimum requirements to identify customers:</p> <p>Individuals: birth date; nationality; National Identification number (cédula de identidad) or passport number; Registro Unico de Contribuyente (RUC) if applicable, which is the Taxpayers Identification Number; marital status and spouse's name (if applicable); home and business address; telephone number; profession; occupation; and commercial references.</p> <p>Legal entities: Entity name; activity; Registro Unico de Contribuyente (RUC), which is the Taxpayers Identification Number; business address; telephone number; shareholders list; executives list; commercial references; and entity constitutive documents.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	According to law, financial institutions should always verify original identification documents. However, for legal entities, there are some documents that can be provided as copies, if those copies are certified by a notary public officer.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The following three situations require financial institutions to collect additional information about beneficial ownership:</p> <ol style="list-style-type: none">when the client informs the institutions that the final beneficiary is another person or entity;when the financial institution has doubts about the final beneficiary; orwhen the customer engages in commercial, financial or industrial transactions in a location where they have no operations. <p>No requirements are established around verification of this data.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	No specific procedures or guidance exist on this situation, only that documents are not required for operations below USD10,000.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced due diligence arrangements are required for transactions above the USD10,000 threshold.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	There are specific requirements to be classify the customer as high risk, its operations must be approved by the highest authority of institutions to establish due diligence procedures to apply, including spouses, relatives and relatives up to fourth degree of consanguinity, second degree of affinity, also included in the list to nonprofit organizations.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	The correspondent must be approved by the highest authority of the institution; it must know the nature of the activities of the correspondent, evaluation of policies and procedures to prevent money laundering and terrorist financing implemented by the correspondent. On account transfers have Correspondent evidence that preventative measures have been implemented and due diligence procedures performed on transfers.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The entity must develop policies and procedures relating to prevention to avoid the use of technological devices to perform operations related to ML and TF, as well as keeping up to date computer platforms.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Secretaría de Prevención de Lavado de Dinero (SEPRELAT) www.seprelad.gov.py
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Institutions must also report suspicious transactions, fund transfer operations to and from other countries (transfers, exchanges, cash checks, or any other payment method), as well as physical remittance of money.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes. Anything below USD10,000.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	Article 400-Bis of the Federal Criminal Code (May,1996).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	a & b) Banking and Other financial Services: Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público (SHCP): http://www.shcp.gob.mx/Paginas/default.aspx ; c) The non- financial sector is not regulated, but there is a legislative initiative that includes non financial sector institutions: Financial Intelligence Unit (FIU) Mexico - http://www.apartados.hacienda.gob.mx/uif/index.html .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Financial Intelligence Unit (FIU) Mexico - http://www.apartados.hacienda.gob.mx/uif/index.html .
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.fatf-gafi.org/infobycountry/0.3380.en_32250379_32236963_1_70651_43383847_1_1.00.html .
Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	In order to carry out transactions through electronic, optical or other technology in accordance with the fourth Regulation, entities are required to integrate client identification documentation held on record with an additional mechanism to identify the client directly, such as the obligation to conduct a face-to-face interview. If a client carries out individual transactions in cash, in an amount equal to or above the equivalent of USD3,000, entities must record the corresponding identification data. For customers, holders, owners or additional cardholders and authorised third parties, a copy of the identification held on the respective client file will suffice. If no such identification is available on record, the entity must obtain it first.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: personal identification with address, photograph, signature, Clave Unica de Registro de Población (CURP), proof of address. Corporates: testimony or certified copy of entry in the Public Registry of Commerce, which provides evidence of their legal existence, Taxpayer Identification Card issued by the Secretariat, proof of address, testimony or certified copy of the instrument that contains power of attorneys, issued by a public notary, if not contained in the Certificate of Incorporation, as well as the personal identification of these people. Foreign individuals: passport and/or document attesting to their legal stay in the country as well as data regarding their home country and address, if applicable. Foreign corporates: authenticated copy of the document verifying its legal existence as well as its representatives.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	When the institution gathers the copies of documentation, to integrate the client identification file, the personnel must ensure that the documentation is legible and compare them with the originals. Copies of reports and records of transactions that took place should be retained for a period of no less than ten years after completion of the relevant transaction. The customer identification documents should be kept for the duration of the contract/account, and thereafter for a period of no less than ten years.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	During the customer identification process, institutions should collect and record at least the following data: paternal surname, mother's maiden name and name(s) without abbreviations; full address including telephone numbers and where appropriate neighbourhood or development area, delegation, town or similar political divide, as appropriate, if any; city or town federal entity, state, province, county or similar political divide, as appropriate, if any; code and country, if this differs from the account holder or contract and date of birth.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Regarding to societies, dependencies and entities referred to in Annex I of the AML regulation, institutions can apply simplified due diligence and confirm the identification file. This applies to financial groups, investment societies, retirement funds, investment society operators, distribution of shares for investment societies, credit institutions, stock exchange, currency exchange, retirement fund managers, insurance institutions, mutual insurance companies, bonding institutions, deposit general storage, financial leasing companies, saving and credit cooperative institutions, popular financial institutions, credit unions, financial factoring institutions, securities issuers, foreign financial institutions, public dependencies (federal, state and municipal), exchanges, values deposit institutions, companies that provide services to facilitate the transactions and central counterparts. This only applies if the risk scoring results are low for the institution.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Implementation of the KYC policy should be risk based. For a high risk customer, more information and a stronger supervision of the transactional behaviour of the customer is required. Financial institutions should classify customers by their degree of risk and into at least two classes, i.e. high and low risk. For high risk customers the following information, amongst others, should also be recorded in order to satisfy enhanced due diligence measures: the background of the client, their profession, activity or business, and the source of funds.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	For customers classified as high risk, as well as for those who are considered PEPs, entities should establish measures to update their identification records at least once a year. To determine a client's degree of risk and whether they should be regarded as PEPs, entities should develop internal criteria assessing the background of the client, their profession, activity or business, the source of funds, and other circumstances determined by the entity. Entities should develop mechanisms for determining the degree of risk of the operation carried out with PEPs of Mexican nationality. This in effect will determine whether the transaction reasonably corresponds with their roles, responsibility and level. Furthermore, an early warning system should be established in order to monitor and detect changes in a client's transactional behaviour.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Entities must strictly implement their customer due diligence policy in cases of corresponding accounts opened by financial institutions domiciled abroad, which are formed in countries or territories, in which there is insufficient application of measures to prevent, detect and combat operations with funds of illicit origin and terrorist financing. Entities should refrain from conducting operations with correspondent financial institutions or intermediaries that have no physical presence in any jurisdiction.

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Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>In order to carry out transactions through electronic media, optical or any other technology, entities are required to integrate the customer identification file, and to establish mechanisms to directly identify the customer.</p> <p>Regarding fund transfers through the aforementioned electronic media, entities must collect, preserve and transmit at least the name, address and account number of the payer. When the transfer equals to or is greater than the equivalent of USD5,000, and the beneficiary of the transfer is not a client of the receiving entity, copies of identification and proof of residence documentation should be requested.</p>

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Ministry of Finance and Public Credit (or in Spanish, Secretaría de Hacienda y Crédito Público (SHCP) for banking and other financial services: http://www.shcp.gob.mx/Paginas/default.aspx ;

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 6,249,619, divided as follows: Unusual transactions: 49,501; Relevant transactions: 6.2 million; Internal transactions: 118)</p> <p>GDP (in current prices): 2010 – USD1,034,804 million (Source: data.worldbank.org*)</p> <p>This results in a ratio of 1 SAR for every USD165,579 of GDP.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Any suspicious internal operations.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	<p>USD10,000 for relevant operations. USD250 for operations in cash with USD for individual. USD500 for operations in cash with USD for companies. USD10,000 for relevant operations, with divided operations.</p>

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Up to 100,000 days of official minimum wage.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes, regulation contemplates the use of systems with capabilities to detect and monitor operations performed by the same user within the functionality required.

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Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes, the regulation requires institutions to establish within a new operations process, a process of scaling and internal approval for operations within defined parameters for approval.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996 (amended 2007)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Financial Services Commission (FSC) www.fscjamaica.org .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The Financial Services Commission provides guidance on AML(revised March 30 2007).. www.natlaw.com/interam/jm/bk/sp/spjmbk00008.pdf .
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No - although the regulations do not specifically approve a risk based approach, they generally encourage companies to identify and monitor key company risks to ensure that anti money laundering detection and reporting guidelines are being followed.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The last Financial System Stability Assessment done by the IMF on Jamaica was in March 2006.: http://www.imf.org/external/pubs/ft/scr/2006/cr06156.pdf .

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - all transactions above the thresholds must be reported to the required institutions. There are some institutions that are exempt from submitting threshold transactions such as embassies, high commissions, government agencies and statutory bodies. Under the Proceed of Crime (POCA) Regulations 2007, the Threshold Transaction Reports must be prepared for transactions in cash exceeding threshold of USD15,000. The threshold for remittance companies and cambio transactions are USD5,000 and USD8,000 respectively.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals require a registered name, date and place of birth, nationality, address etc. As part of the verification process, the name and address of the customer should be verified by an independent source, for example passport, identity card, driving licence, current utility bill, telephone directory or the voters poll.</p> <p>For a partnership, an unincorporated business and companies, the partnership agreement, Certificate of Incorporation, Memorandum & Articles of Association, most recently filed annual return, copies of powers of attorney or other authorities given by directors in relation to the company are required.</p> <p>For large corporate accounts, the following amongst other documents may be obtained:</p> <ul style="list-style-type: none">a) Certificate of Incorporation;b) Memorandum & Articles of Association;c) the most recent annual return filed with the Registrar;d) the name(s) and address(es) of the beneficial owner(s) and/or the person(s) on whose instructions the signatories to the account are empowered to act; ande) Copies of identification documents should be obtained from at least two directors.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Emphasis is placed on original documentation where available. The regulations do not specifically state what copies of documentation can be certified by external third parties. They also require, in some instances, independent verification of the documentation presented by the customer.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	There is no specific information in local guidance which deals specifically with beneficial ownership. However, firms should carry out verification in respect of the parties operating the account. Where there are underlying principals, the true nature of the relationship between the principals and the account signatories must also be established. Appropriate enquiries should be performed on the principals, especially if the signatories are accustomed to acting on their instructions. In this context "principals" should be understood in its widest sense to include, for example, beneficial owners, settlors, controlling shareholders, directors, major beneficiaries etc.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Verification of the institution is not needed for nine types of eligible institutions, including a licensed bank, a financial institution licensed under the Financial Institutions Act, a building society registered under the Building Societies Act, a society registered under the Co-operative Societies Act and an insurance company registered under the Insurance Act.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Financial institutions are required to implement enhanced due diligence for transactions involving high risk activities, businesses, foreign countries and linked accounts. This requires stricter KYC procedures, for example more detailed information on the customer's background and reputation as well as management information systems to monitor accounts with greater frequency than low risk accounts and senior management approval for the establishment of accounts.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>Financial institutions are required to implement enhanced due diligence for transactions involving Politically Exposed Persons ('PEPs'). All regulated entities must also:</p> <ul style="list-style-type: none">a) obtain adequate documentation regarding the PEP;b) understand the PEP's anticipated account activity;c) determine the PEP's source of wealth; andd) apply additional oversight to the PEP's account.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The following enhanced due diligence should be obtained by corresponding banks:</p> <ul style="list-style-type: none">a) Articles of Association, Certificate of Incorporation and certified copies of the banking licence determining ownership of the financial institution, members of the board of directors and management composition.b) approval must be granted by senior management to open the account.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In accepting business from non face-to-face customers, financial institutions should apply equally effective customer identification procedures as for those customers available for interview and there must be specific and adequate measures to mitigate the higher risk. Measures to mitigate risk may include requisition of additional documents to complement those which are required for face-to-face customers.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Financial Investigations Division. In Jamaica, such reports are referred to as the Suspicious Transactions Reports (STRs). http://www.mof.gov.jm/fid

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, transactions over a certain threshold should be reported to the Financial Investigations Division. Also refer to A8 above.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No, all suspicious transactions should be reported.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes there are penalties. Failure to comply with the provision of the law may result in commercial prosecution, commercial losses, negative publicity, etc. Failure to file suspicious transaction reports with the designated authority will attract up to 1 year imprisonment jail or JMD1 million (Resident Magistrate, RM Court). Failure to file a threshold transaction report attracts a fine of up to JMD400,000 (RM Court). In respect to tipping off a company can be fined up to JMD600,000 (RM Court).

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	There is no requirement to obtain authority to proceed.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996. Financial institutions had to comply with the SIPLA (Integral System for the Prevention of Assets Laundering) regulation by reporting financial transactions over defined limits. In 2008, the Superintendent of Finance of Colombia issued External Circular No. 022 2007, regarding the implementation of the System for Preventing Assets Laundering and Terrorism Financing (SARLAFT) with a risk based approach. The 2009 regulation incorporates some new reporting standards that must be adhered to when reporting to the Regulator.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The main features of the SIPLA regulation included implementing adequate KYC procedures, monitoring transactions, investigating unusual transactions and reporting any suspicious transactions to the relevant authorities.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	SARLAFT requirements are issued by the regulator, the Superintendence of Finance of Colombia. Entities have to report to the Financial Information and Analysis Unit (UIAF) of Colombia
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The regulation provides specific details of how the SARLAFT should be considered by financial institutions. Although the segmentation methodologies and activities related to risk management and transactional monitoring should be designed by each individual entity. http://www.superfinanciera.gov.co/Normativa/NormasyReglamentaciones/cir007/cap11lavadodeactivos.doc
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes – new regulation establishes the parameters for KYC procedures which incorporate the requirement to update a customers' information.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes – new regulation has a risk based approach regarding AML.
Q7.	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - there are various thresholds depending on the type of transaction, including no customer due diligence for electronic funds transfer or foreign currency exchange transactions less than USD 5,000, and if a signed signature card for an account with the institution also exists for such transactions over USD5,000. No due diligence is required for cash transactions of less than USD5,000 (other than when two or more transactions totalling more than USD5,000 are believed to be linked).
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: The regulator has defined the basic form each customer should fill out. The requirements surrounding independent verification or authentication vary according to each customer. Individuals should provide identification, tax payment copy or yearly income certificate. Legal entities: The regulator has defined the basic form that legal entities should fill out. Legal entities should provide Chamber of Commerce registration, details of partners with shares greater than 5% and tax payments certificate.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	There is no need for copies to be certified by a notary (this was a requirement previously). Banks compare the copy with the original identification when the customer brings in the required documentation.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Customers should be able to demonstrate the source of income and ownership by way of a copy of a tax payment, income certificate etc. Banks should monitor changes in income or properties of their clients, where information is available.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Banks should comply with the minimum requirements of the regulations, which include special additional tasks for Politically Exposed Persons ('PEPs'). Reduced requirements apply to persons or companies that operate with significant cash amounts as a result of the business they are in. The bank should perform detailed due diligence so future controls can be omitted. There are some cases which customers do not need to fill out the form e.g. special insurance types, multilateral organisms, retirement fund managers and deposit accounts with a simplified process.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced due diligence is required for PEPs. In Colombia, this includes not only politically-related people but also publicly recognised people. This also includes due diligence of deposit accounts which will be used by political parties and during political campaigns.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	There are regulatory requirements in relation to PEPs. In Colombia, a PEP is defined as a publicly relevant person (not only politicians). Each time a PEP is identified, additional due diligence has to be performed, especially when the client manages public resources.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	For correspondent banking relationships, every international transaction should be reported to the authorities. Each report requires information on the origin of the money i.e. client, address, telephone number, activity and reason for sending the wire and beneficiary.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No - but some banks try to avoid relationships with offshore banks.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Entities must define special procedures in order to perform KYC for non face-to-face interviews. They must also implement follow up procedures for clients' transactions.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Information and Analysis Unit (UIAF) of Colombia - www.uiaf.gov.co
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 7,796 SARs (UIAF) GDP (in current prices): 2010 – USD288,189 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD40 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, financial institutions should report individual cash transactions above USD10,000, total monthly cash transactions above USD25,000.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	See Q20
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Special requirements and an investigation from the regulator shall be performed at an institution that does not report required periodical AML information.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, each entity is free to develop or use their specific methodology to perform transaction monitoring.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No, each entity shall define if a suspicious transaction shall be continued or not, although it has to be reported to the UIAF.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Entities monitor all transactions regardless of the entity's jurisdiction.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996. However the Proceeds of Crime Law, enacted into legislation in September 2008, repealed the previous Anti Money Laundering Law (the 'Proceeds of Criminal Conduct') in order to bring harmonisation with all other laws that could encompass money laundering. Additionally, and as a result of the introduction of the Proceeds of Crime Law, the Money Laundering Regulations (2009 revision) and the Guidance Notes on the Prevention & Detection of Money Laundering in the Cayman Islands (March 2010 revision) were also amended.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	The regulator for AML controls is the Cayman Islands Monetary Authority ("CIMA")
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes, CIMA has issued Guidance Notes on Prevention and Detection of Money Laundering and Terrorist Financing (the "Guidance Notes") which can be found at http://www.cimoney.com.ky/AML_CFT/aml_cft.aspx?id=144
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - a risk based approach is facilitated both by way of certain exemptions for particular products, and explanation within the Guidance Notes that a risk based, rather than a 'tick box' approach, should be adopted.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The country was subject to an IMF inspection in 2009: http://www.cimoney.com.ky/ext_coop_assess/eca.aspx?id=180

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions of less than KYD15,000.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: certified photo identification (usually passport); verification of residential address (driving licence or utility bill etc.); source of funds and understanding of source of wealth. Corporates: must identify the company, its directors and beneficial owners of 10% or more of the company's holdings. Company items such as Memorandum and Articles of Association, Certificate of Incorporation, register of members, directors and officers, authorised signatory lists, financial statements etc. are required on acceptance of new business. Further, due diligence on at least two directors and due diligence on beneficial owners of greater than 10% as described for individuals or 'natural persons' as above.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Documents must be originals, notarised or certified copies. Examples of suitable certifiers are lawyers, accountants, notary publics or civil servants.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	All beneficial owners of 10% or greater of a company's holdings must be identified/verified. Beneficial owners below 10% should be identified if the entity appears structured to avoid this requirement. Note that certain entities are exempt, such as those listed on a recognised stock exchange.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced /simplified due diligence requirements exist for the following scenarios. Key exemptions include: a) non paying accounts, effectively covering mutual fund investments if the funds can only be returned to the beneficial owner from which they came; b) regulated financial institutions in certain jurisdictions listed in Schedule III of the Regulations; c) potentially any circumstance in which a full eligible introducers form is used (and the party relying on the eligible introducer form remains liable for any failure of the person making the introduction to obtain and record satisfactory evidence of the identity of the third party); d) listed institutions on certain specified exchanges and their subsidiaries (evidence must be provided for use of exemption); and e) certain other bodies, for example governmental bodies and pension funds for professional associations.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Local guidance includes information on enhanced due diligence for Politically Exposed Persons ('PEPs'), high risk countries or other higher risk businesses, such as not for profit associations (including charities).
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Local guidance requires senior management approval, reasonable measures to establish source of wealth and funds and enhanced ongoing monitoring.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	No enhanced due diligence measures required for regulated correspondent banking relationships (see also response to Q16 below).
Q16.	Are relationships with shell banks specifically prohibited?
A16.	The Money Laundering Regulations (2009) have been amended to state that no person conducting relevant financial business should form a business relationship or carry out a one-off transaction, with any institution that has no physical presence in the territory in which it is incorporated or in which it is carrying on such business and is unaffiliated with a regulated financial group that is subject to consolidated supervision. Further clarification on correspondent banking relationships with shell banks is provided in the Money Laundering Guidance Notes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In response to a recommendation from the CFATF during their 2007 evaluation of the Cayman Islands' money laundering regime, the Guidance Notes on Money Laundering have been amended to indicate that financial institutions should have policies and procedures in place to address any specific risks associated with non-face-to-face business relationships or transactions.

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Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Money Laundering Regulations require that Suspicious Activity Reports are made to the Financial Reporting Authority (the "FRA"): http://www.fra.gov.ky
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 to 2011 – 353 SARs (FRA) GDP data is not available for this specific period.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Other than SARs, payment service providers are required to report to the FRA if they restrict or terminate business relationships with its payee service providers due to the payee service provider regularly supplying insufficient information on the payee.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	See above response on KYD15,000 exemption.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, per section 139 of the Proceeds of Crime Law, a person is guilty of an offence if they know or suspect that a report is about to, or has been made and discloses to any other person information which is likely to prejudice an investigation punishable under the law by a maximum prison term of 5 years, an unlimited fine or both.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	While the use of automated mechanisms to monitor suspicious transactions is suggested by the Guidance Notes as best practice, it is recognized that this may not be cost effective for all companies. As such there is no legal or regulatory requirement to use automated suspicious transaction monitoring technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	There is no requirement to obtain authorisation from the FRA to proceed with a current/ongoing transaction that is identified as suspicious unless criminal proceedings have commenced and the matter becomes subject to the Attorney General's direction and a resulting freeze order. In that case, direction would be required from the AG (Attorney General) prior to proceeding with the transaction.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	There is no explicit direction in local legislation on monitoring transactions outside the jurisdiction. However the Guidance Notes do recognize parent/subsidiary relations and also customer transactions for their own account and makes allowance for minimized KYC procedures when such transactions occur in countries with equivalent legislation as the Cayman Islands (also known as Schedule 3 countries).



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Canada

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Last updated:
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General

Q1. In what year did the relevant AML laws and regulations become effective?

A1. 2000 (amended 2001 and 2007).

Q2. If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?

A2. N/A

Q3. Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.

A3.

- a) In Canada, FINTRAC (Financial Transactions Reports Analysis Centre of Canada) is responsible for ensuring compliance with AML/CFT requirements by banks and the Office of the Superintendent of Financial Institutions (OSFI) is the federal agency responsible for supervising banks. FINTRAC is responsible for ensuring compliance with AML/CFT requirements for all securities dealers. Provincial and territorial securities regulatory authorities are members of Canadian Securities Administrators (CSA), an umbrella organization of the 13 regulators that serves as a forum for coordinating and harmonizing the regulation of Canadian capital markets. Securities regulators also delegate certain aspects of securities regulation to self-regulatory organizations including, the Investment Industry Regulatory Organization of Canada ("IIROC").
- b) The following designated non-financial businesses and professions (DNFBPs) are subject to Canada's AML/CFT requirements: casinos, real estate agents and accountants.
- c) FINTRAC is responsible for ensuring that casinos, real estate agents and accountants have implemented AML/CFT requirements outlined in the PCMLTFA.
- d) In addition, the Government of Canada is currently in discussion with the following DNFBPs to cover these entities under AML/CFT requirements: lawyers, notaries (in Québec and British Columbia only) and dealers in precious metals and stones.

FINTRAC has in place MOUs (Memoranda of Understanding) with both OSFI and IIROC. It is to be noted that FINTRAC does not delegate its supervisory role through MOUs to other regulators. Information obtained by other regulators through their own supervisory activities, including examinations, is provided to FINTRAC under the MOU and is taken into consideration by FINTRAC during its risk assessment process. In addition to the audits and examinations performed by the regulators under their own supervisory framework, the results of which, with respect to AML/CFT relevant issues are provided to FINTRAC, FINTRAC conducts examinations in each sector, whether or not it is covered by an MOU. In fact, FINTRAC has conducted examinations in every sector covered by the PCMLTFA with the exception of financial institutions supervised by OSFI since FINTRAC fully relies on OSFI to conduct AML/CFT compliance initiatives.

FINTRAC reports to the federal Minister of Finance.

<http://www.fintrac.gc.ca/>
<http://www.iiroc.ca/English/Pages/home.aspx>
http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?ArticleID=3

Q4. Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.

A4. FINTRAC provides some practical guidance: <http://www.fintrac.gc.ca/publications/pub-eng.asp>

OSFI Guideline B-8: Deterring and Detecting Money Laundering was issued in December 2008.-
http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/sound/guidelines/b8_e.pdf

IIROC issued Anti-Money Laundering Compliance Guidance in October 2010-
<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=6279890DECD84244A8E38F8A23E80E4A&Language=en>

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Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.

Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - firms are required to assess and document the risk related to money laundering and terrorist activity financing in their business. This assessment must be tailored and should consider factors such as clients and business relationships, products, delivery channels and geographic areas where business is conducted, as well as other relevant factors.

Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	FATF released its third evaluation of Canada in February 2008: http://www.fatf-gafi.org/dataoecd/5/3/40323928.pdf

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - there are various thresholds depending on the type of transaction. No customer due diligence is required for Electronic Funds Transfer (EFT) transactions less than CAD1,000 or foreign currency exchange transactions less than CAD3,000 and if a signed signature card for an account with the institution also exists for such transactions over the threshold. No due diligence is required for cash transactions less than CAD10,000 (other than when two or more transactions totalling more than CAD10,000 are believed to be linked).

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: an entity must obtain, verify and maintain records of identity as follows: client name, date of birth, address and the nature of the client's principal business or occupation. Regulations state that the identity of a person should be ascertained by referring to a birth certificate, driving licence, provincial health insurance card, passport or any similar record. Corporations: confirm the names of the corporation's directors. The record used to confirm the corporation's existence must be in paper or electronic format. If the record is an electronic version, firms must keep a record of the corporation's registration number, the type and source of the record. To confirm the existence of an entity other than a corporation, firms must refer to a partnership agreement, Articles of Association or any other similar record that confirms the entity's existence.

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Documents must be valid originals.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	When a firm has to identify an entity, it must take reasonable measures to obtain and keep a record of information relating to the entity's beneficial ownership. For a corporation, this includes the name and occupation of all directors and the name, address and occupation of all individuals who own or control 25% or more of the shares of the corporation. If the information cannot be obtained, a record must be maintained explaining why beneficial ownership could not be determined.

Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	There is an exemption from the requirement to ascertain the identity of an entity that is a public body or a corporation (and any consolidated subsidiaries) that has minimum net assets of CAD75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the Income Tax Regulations and operates in a country that is a member of the Financial Action Task Force.

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>A firm's compliance program must include the development and application of policies and procedures to assess the risk of a money laundering offence or a terrorist activity financing offence. Special measures should be taken in high risk situations for identifying clients and monitoring transactions. When a risk assessment determines that risk is high for money laundering or terrorist financing, policies and procedures to keep client identification information up to date must be developed. For a financial entity, a securities dealer, a life insurance company, broker or agent, or a money services business, this also applies to keeping beneficial ownership information up to date. This information should be reviewed at a minimum at least every two years.</p> <p>OSFI Guidance states that federally regulated firms that conduct business in offshore jurisdictions or that have customers that operate in those jurisdictions, need to be especially vigilant. Certain customers may merit additional due diligence, and examples given include businesses that handle large amounts of cash or those that hold important public positions.</p>

Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	When dealing with PEPs, the following additional due diligence measures must be taken: enhanced account monitoring; senior management approval to maintain the account or senior management review of transaction within 14 days of account activation or EFT transaction; and reasonable measures to obtain source of funds.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	The following due diligence requirements are required for correspondent banking relationships: obtaining personal information about the foreign entity and its activities; ensuring that the foreign entity is not a shell bank; obtaining the approval of senior management; and setting out in writing the firm's obligations and those of the foreign entity in respect of the correspondent banking services.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Recent amendments have introduced a broader and more flexible set of identification requirements related to non-face-to-face transactions. The new requirements set out the following two options for identification of individuals not physically present:</p> <ul style="list-style-type: none">a) Confirmation from an affiliated entity and verification of the name, address, telephone number and date of birth record;b) Combination of two of the following methods: referring to an independent identification product or, with the individual's permission, referring to a credit file; obtaining an attestation concerning an identification document for the individual from a Commissioner of Oaths or a guarantor; confirming that a cheque drawn on a deposit account with a financial entity (other than one that is exempt from identification requirements) has cleared; and confirming that the individual has a deposit account with a financial entity (other than one that is exempt from identification requirements).

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	<p>Suspicious transaction reports (STRs) are filed with FINTRAC</p> <p>http://www.fintrac.gc.ca/intro-eng.asp</p>

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2007 to 2010 - approximately 238,144 STRs (FINTRAC) http://www.fintrac.gc.ca/publications/typologies/2011-10-eng.pdf</p> <p>GDP (in current prices): Sum of GDP for 2007-2010 inclusive – USD5,841,361 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD24.5 million of GDP.</p>

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes. There are obligations to report attempted suspicious transactions as well as large cash transactions (above CAD10,000). Financial entities, MSBs (Money services business) and casinos must report incoming and outgoing international wires greater than CAD10,000. Casinos must file a casino disbursement report for amounts greater than CAD10,000.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No. All suspicious transactions and attempted suspicious transactions need to be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>Yes. There are criminal or administrative penalties associated with non-compliance with reporting requirements, including tipping off. Both criminal and administrative monetary penalties (AMPs) cannot be issued against the same instance of non-compliance. AMPs violations are classified by the PCMLTF Regulations as "Minor", "Serious" or "Very Serious", and carry maximum penalties of CAD1,000, CAD100,000 and CAD500,000 respectively.</p> <p>FINTRAC may disclose cases of non-compliance to law enforcement when there is extensive non-compliance or little expectation of immediate or future compliance. Criminal penalties may include the following:</p> <ol style="list-style-type: none">Failure to report suspicious transactions: up to CAD2 million and/or 5 years imprisonment.Failure to report a large cash transaction or an electronic funds transfer: up to CAD500,000 for the first offence, CAD1 million for subsequent offences.Failure to meet record keeping requirements: up to CAD500,000 and/or 5 years imprisonment.Failure to provide assistance or provide information during compliance examination: up to CAD500,000 and/or 5 years imprisonment.Disclosing the fact that a suspicious transaction report was made, or disclosing the contents of such a report, with the intent to prejudice a criminal investigation: up to 2 years imprisonment.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Regulations do not specify from/to where transactions must be monitored.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1998 (Law 9.613) amended 2002 by Law 10.467.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	COAF – Conselho de Controle das Atividades Financeiras – https://www.coaf.fazenda.gov.br/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes https://www.coaf.fazenda.gov.br/
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - Resolution 225 of 2003 establishes the mandatory requirements relating to client identification when opening a deposit account.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The FATF publishes a executive summary of the mutual evaluation report which summarises the anti-money laundering (AML)/combating the financing of terrorism (CFT) measures in place in the Federative Republic of Brazil (hereinafter Brazil) as of the time of the on-site visit (26 October to 7 November 2009), and shortly thereafter:: http://www.fatf-gafi.org/document/53/0.3746.en_32250379_32236963_45538741_1_1_1_1.00.html

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – although there are various triggers in place and it depends on the type of transaction, KYC procedures should be undertaken for Cash transactions equal to or greater than BRL10,000, transactions in aggregate which fall just below the threshold, transactions where the client is not willing to comply with the requirements of client identification or attempts to influence financial institution staff not to keep records on file relating to the proposed transaction etc.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: full name, nationality, date and place of birth, address, Identification (type, number, date of emission and emitting institution), number of inscription on the Cadastro de Pessoa Física ('CPF') etc. Full name is to be verified against a local identification document. Corporations: full name, type and date of constitution, address, documents containing the same information required for individuals who qualify and authorise the representatives to use the account, number of inscription on the Cadastro Nacional de Pessoa Jurídica ('CNPJ') etc. Names of legal entities are verified against the Register of Certification (there are also other detailed requirements).
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	When clients provide copies of identification documentation, they also have to provide the original documents so that the institution can certify that those copies are valid. There is no information in the regulations or guidance on third party certification.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	For insurance entities, the identification information required for beneficial ownership (not required to go up to level of ultimate beneficial owners) should contain, at a minimum, the information/documentation specified for both individuals and legal entities.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	The same information is required for all clients, in accordance with the requirements of the Central Bank.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The Central Bank has published a circular which describes the procedures to be observed in relation to the financial movements of PEPs. Senior management must authorise business relationships with PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	None stated in local regulations or guidance.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No - although they are not prohibited, they are closely monitored.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	COAF – Conselho de Controle de Atividades Financeiras – www.coaf.fazenda.gov.br
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: Approximately 1 million SARs per year for the last 2 years. GDP (in current prices): 2010 – USD 2,087,889 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD2.1 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes. All kind of suspicious activities must be reported to COAF.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes, for activities below BRL5,000 (approx USD3,000).
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - the area of Supervision of the Central Bank of Brazil reviews and monitors compliance with very closely.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes in some cases, the COAF requests the Bank does not terminate the account or relationship with the client so that the COAF can best investigate the transactions of a particular customer. In this case all monitoring between the COAF and the Bank is documented.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	The bank secrecy law prevents a client's activities being monitored or reported outside the country.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Bolivia

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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1997
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	For the Financial Sector, the Financial System Authority (ASFI) is responsible for analysing suspicious financial activities: http://www.asfi.gob.bo/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes – the Financial System Authority (ASFI) provides a guidance for external auditors to perform the AML review.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No - every financial institution is an independent organisation. Their methodology used to determine whether a risk based approach is used or not, is their responsibility.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - all transactions below USD10,000 do not require customer due diligence measures. Customers who engage in transactions above this limit must provide information relating to the transaction to the regulatory body (UIF - Unidad de Investigaciones Financieras).

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The law and its procedures define minimum requirements to identify customers:</p> <p>Individuals: birth date, nationality, National Identification number (carné de identidad) or passport number, Número de Identificación Tributaria (NIT) (if applicable, which is the Taxpayers Identification Number), marital status and spouse name (if applicable), home and business address, telephone number, profession, occupation and commercial references.</p> <p>Legal entities: Entity name, activity, Número de Identificación Tributaria (NIT) (which is the Taxpayers Identification Number), business address, telephone number, shareholders list, executives list, commercial references and entity constitution documents.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	According to law, financial institutions should always verify original identification documents. However, for legal entities, there are some documents that can be provided as copies, if those copies are certified by a notary public office.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The following situations require financial institutions to collect additional information about beneficial ownership:</p> <ul style="list-style-type: none">a) when the client informs the institutions that the final beneficiary is another person or entity;b) when the financial institution has doubts about the final beneficiary;c) when the customer engages in commercial, financial or industrial transactions in a location where they have no operations;d) when transactions are greater than USD10,000 or its equivalent in local currency in current accounts, saving accounts, long term deposits, money exchange, among others; ore) when the total of multiple linked transactions is an amount greater than USD10,000, or its equivalent in local currency.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Simplified due diligence arrangements are available for transactions below the USD10,000 threshold.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced due diligence arrangements are required for transactions above the USD10,000 threshold.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	None stated in local regulations or guidance.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	None stated in local regulations or guidance.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Banks and financial institutions prepare periodic reports for the UIF (AML) at the Financial System Authority: http://www.asfi.gob.bo/ .
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No, except for all transactions above USD10,000.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes, below USD10,000.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	The regulator establishes the appropriate penalties to be charged according to the degree of non compliance.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	The regulator establishes the appropriate procedure for suspicious activities.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	For any transaction (remittances, drafts, etc) above USD10,000 the form PCC01 will need to be completed that details origin, reason and destination for the transaction. In addition, the financial institutions must adhere to the requirements of correspondent banks in cross-border relationships. However the regulation is silent on whether transactions can be monitored outside the country.



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Argentina

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Last updated:
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Q1	In what year did the relevant AML laws and regulations become effective?
A1	1996

Q2	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2	N/A

Q3	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A3	No.

Q4	Is a risk based approach approved by the local regulator(s)?
A4	Yes - although local regulators require certain procedures to be performed without taking into account the risk profile of the transaction or customer.

Q5	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise since 2003? If yes, please find a link to a relevant report (if publicly available).
A5	Yes - http://www.gafisud.info/pdf/InformeArgentina_1.pdf

Customer due diligence

Q6	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A6	No.

Q7	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A7	The law established two types of customers: 'permanent' and 'not frequent'. For each type of customer specific documentation is required, which varies from a simple identification to a tax declaration. Names are verified against original documents for both individuals and entities. 'Not frequent' customers who are individuals need to provide: full name, birth place and date, citizenship, etc. Entities must provide: name, identification number, Tax identification number, Constitution Act and date, etc. Legal officers and shareholders must provide the same information. 'Permanent' customers in addition need to provide: information on sources of income and financial information of accounts/investments in other financial entities. All information must be supported by proper documentation.

Questions and Answers:

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Q8	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A8	There is no information on independent verification of documentation in local guidance. This is because original documents must be seen by financial institutions.
Q9	What are the high level requirements around beneficial ownership (identification and verification)?
A9	The same as 'permanent' clients, therefore beneficial ownership must be identified.
Q10	In what circumstances are reduced/simplified due diligence arrangements available?
A10	Firms are not allowed to avoid the identification requirements in connection with the KYC regulations. For 'not frequent' customers a reduced level of due diligence is allowed.
Q11	In what circumstances are enhanced customer due diligence measures required?
A11	Enhanced due diligence procedures are required for transactions over USD 10,000 and some additional information is required for 'permanent' customers (see A7 above).
Q12	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A12	The banking regulation has a specific paragraph on PEPs, requiring special attention to be taken in such cases. For all individuals considered to be PEPs the KYC regulations apply, including enhanced due diligence regarding volumes and in accordance with the client's profile.
Q13	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A13	None stated in local regulations or guidance.
Q14	Are relationships with shell banks specifically prohibited?
A14	No.
Q15	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A15	Based on regulations issued by the Unidad Informacion Financiera, additional due diligence for non face-to-face transactions and/or relationships is required. Clients must provide information verified by other entities (for example credit card companies and other banks).



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	Article 251, Criminal Law 1999 Article 19, Credit Institute Law 1997
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Anti-Money Laundering Information Centre under the State Bank of Vietnam: http://www.sbv.gov.vn/wps/portal/vn3b!!/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The assessment body 'APG' performed an assessment in 2009 (Source: FATF website).

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - customer due diligence is required for transactions above the following thresholds: a) Total value of VND200m or equivalent value of foreign currency (c. USD11,000), gold for one or more cash transactions per day; and b) Total value of VND500m or equivalent value of foreign currency (c. USD28,000), gold for one or more deposit transactions per day.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Customers (individuals and legal entities) who open accounts for the first time, make cash transactions over the threshold or make suspicious transactions, are required to provide customer identification information to the institutions providing the financial services. In case there is any doubt, further necessary verification is required under Article 8 Decree 74/2005/ND-CP. The following information and documents have to be verified: a) date of the transaction; b) for the individual requiring the transaction: name of the individual or name of the entity's representative with passport number, national identity card or other identification papers, current address or residential address; c) for the entity requiring the transaction: commercial name, investment licence number, tax registration code, address of the head office or address of owners or authorised person; d) for other individuals or entities participating in the transaction (especially the authorised party or beneficial party): commercial name, address, national identification card number or investment licence; e) form, purposes and value of the transaction; and f) name of employee who verified the customer information
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Independent verification is required when there is any doubt about the information provided by the customer. The organisations under Article 6 Decree 74 must: a) collect the information from other organisation(s) which have a relationship with the customers for reconciliation; b) collect information from branches, representative's office, associates or subsidiaries at the location of origin; and c) collect information from authorities at the location of origin.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	None stated in local regulations or guidance.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None stated in local regulations or guidance.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	None stated in local regulations or guidance.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	None stated in local regulations or guidance.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	State Bank of Vietnam: http://www.sbv.gov.vn/wps/portal/vn
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes, see Q8
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1999.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.)? Please include link to the regulator(s) website
A3.	The Anti-Money Laundering Office (the "AMLO") - http://www.amlo.go.th
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website. where available.
A4.	Yes. http://www.amlo.go.th/amlofarm/farm/en/files/MR_1(1).pdf
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes http://www.amlo.go.th/amlofarm/farm/en/files/DAR_thai.pdf

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	<p>Non-Financial Institutions Customer due diligence needs to be performed for new clients taken on by designated non-financial businesses and professions per Section 20/1 of AML Law as amended B.E. 2553.</p> <p>Financial Institution: In line with Know Your Customer guidance, customer due diligence needs to be performed for new clients taken on by the financial institution as well as for all existing customers where it has not been performed previously, regardless of the transaction.</p> <p>Covered entities: Under Know Your Customer guidance: Banks (including state-owned banks), finance companies, securities dealers, insurance companies, money exchanges and remitters, asset management companies, jewellery and gold shops, automotive hire-purchase businesses or car dealers, real-estate agents/brokers, antique shops, personal loan businesses, electronic card and credit-card businesses, electronic payment businesses, and deposit/lending cooperatives and traders that are not financial institutions engaging in business involving the operation of, or the consultancy or the provision of advisory services in a transaction relating to the investment or mobilisation of capital under the law on securities and stock exchange.</p>

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: Institutions should verify the original identification documents i.e. identity card, passport, household registration book, full name and other document details.</p> <p>Legal entities: Institutions should obtain company registration documents as well as examining the type of business, the sources of high value transactions or unusual characteristics or those that are not related to the business of the customers.</p> <p>The institution should maintain copies of verified identification documents for a period of five years.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>Financial institutions and designated non-financial businesses and professions shall verify customer identification by the time of the first transaction and periodically review until the account is closed or the relationship is terminated. The verification shall be completed with professional care, good faith and without gross negligence. Using an alias is not permitted.</p> <p>In general, where copies of identification documents are provided, such copies shall normally be verified as true and correct by the owner of the document and/or by showing the original. Where foreign documents are provided, certification by a public notary and authentication by the embassy of the country that the document is originally issued, may be required.</p>
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Institutions should verify and maintain the power of attorney of beneficial owners from the customer who is conducting the transaction.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Any transaction made by the following parties including king, queen, prince, princess, government, state-owned enterprise, public organisation or other government agencies, foundation, etc., may be reduced or exempted as the Minister deems fit. [Refer to Ministerial Regulation No.5/2533].
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required when the transaction is complex, unusually large, the source of a transaction is unclear or there is an unusual pattern of transactions that have no apparent or visible economic or lawful purpose. Furthermore, the institution should enhance ongoing customer due diligence if transactions are suspected to be money laundering related, and for any customer suspected to be linked with a money laundering offence or terrorism.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Any transactions made by PEPs require additional due diligence.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Institutions should establish appropriate policies and procedures that include guidance for correspondent banks by enhancing procedures and paying special attention to high value, complicated and suspicious transactions. In addition, any illegal transactions or transactions with an unreasonable purpose require enhanced due diligence.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Institutions should establish risk mitigating procedures and measures for account openings for non face-to-face customers and should have effective monitoring procedures as stringent as those for customers who are physically present.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Director of AMLO http://www.amlo.go.th/
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2009 – 1,380,564 SARs (AMLO) GDP (in current prices): 2009 – USD263,505 million (Source: data.worldbank.org*) This results in a ratio of 1 SAR for every USD190,868 of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>Yes - The financial institution shall have the duty to report that transaction to the Office when it appears that such transaction is:</p> <ul style="list-style-type: none"> a) a transaction funded by an amount of cash equal or more than THB2 million Baht. Except in the case of electronic fund transferred transaction, the financial institution shall have the duty to report if the transaction is equal or more than THB100,000 ; or b) a transaction connected with the property worth equal or more than THB5 million. Except in the case of movable property involving electronic fund transfer or payments , the financial institution shall have the duty to report if the transaction is equal or more than THB700,000 ; or c) a suspicious transaction, whether or not it is the transaction under a) or b) or not. <p>A Land Office of Bangkok Metropolitan, Changwad Land Office, Branch Land Office and Amphoe Land Office shall report to the Office when it appears that an application is made for registration of a right and judicial act related to an immovable property to which a financial institution is not a party and which is of any of the following descriptions:</p> <ul style="list-style-type: none"> a) requiring cash payment in an amount of cash equal or more than THB2 million b) involving an immovable property worth equal or more than THB5 million, except in the case of a transfer by succession to a statutory heir; or c) being made in connection with a suspicious transaction <p>The following designated non-financial businesses and professions shall have the duty to report the transaction to the Office when it appears that such transaction is funded by an amount of cash equal or more than THB2 million:</p> <ul style="list-style-type: none"> a) trader that is not a financial institution, engaging in the business involving the operation of or the consultancy or the provision of advisory service in a transaction relating to the investment or mobilisation of capital under the law on securities and stock exchange; b) trader dealing in the business of gems, diamonds, coloured stones, gold, or ornaments decorated with gems, diamonds, coloured stones, gold; c) trader dealing in the business of selling or leasing of cars; d) trader dealing in the business of immovable property broker or agent; e) trader dealing in the business of antiques trade under the law on Control of Sale by Auction and Antique Trade; f) trader dealing in the business of credit card that is not a financial institution under the Notification of the Ministry of Finance determining on credit card or the law on financial institution business; <p>The following designated non-financial businesses shall have the duty to report that transaction to the Office when it appears that such transaction is funded by an amount of cash equal or more than THB500,000</p> <ul style="list-style-type: none"> a) trader dealing in the business of personal loan under supervision for businesses that is not a financial institution under the Notification of the Ministry of Finance determining on Personal Loan Businesses under Supervision or under the law on financial institution business; <p>The following designated non-financial businesses shall have the duty to report that transaction to the Office when it appears that such transaction is funded by an amount of cash equal or more than THB100,000:</p> <ul style="list-style-type: none"> a) trader dealing in the business of electronic money card that is not a financial institution under the Notification of the Ministry of Finance determining on electronic money card or the law on financial institution business; b) trader dealing in the business of electronic payment service under the law on the supervision of electronic payment service business;
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes, see 20 above.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes -Any person who violates or does not comply with the AMLA regarding reporting and client identification shall be liable to a fine of not exceeding THB500,000 and a daily fine not exceeding THB5,000 through the period of violation or until acting in accordance Any person who reports or makes a notification by presenting false statements of fact or concealing the facts required to be revealed to the competent official shall be liable to imprisonment for a term not exceeding two years or to a fine of THB50,000 to THB500,000 or to both.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	Taiwan's anti-money laundering legislation is embodied in The Money Laundering Control Act, 1997 (amended in 2003, 2006, 2007, 2008, and 2009). Its major provisions include a list of predicate offences for money laundering, customer identification and record keeping requirements, disclosure of suspicious transactions, international cooperation, and the creation of a financial intelligence unit, the Money Laundering Prevention Centre ('MLPC').
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Financial Intelligence Unit (FIU): http://www.mjib.gov.tw/mlpc/index.htm
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Practical guidance is provided at the following website: http://www.mjib.gov.tw/mlpc/index.htm
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - however, financial institutions are required to re-validate a customer's identification, after the customer has opened an account, if one of the following conditions is met: a) the account is opened upon request for a third party; b) the financial institution becomes suspicious about the activities of the customer; or c) the customer opened the account by mail.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Taiwan has not been the subject of a FATF Mutual Evaluation since 2008.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - financial institutions are required to obtain two types of identification and to keep copies irrespective of transaction amounts.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: Where an individual applies to open an account, the teller shall, other than his/her identity card, obtain other document(s) which could verify his/her identity e.g. National Health Insurance Card, passport, driving license, student identity card, household registry book or household registry certificate. The teller should, at the same time, check with the Joint Credit Information Centre ('JCIC') or conduct an enquiry through the Bank's own database on whether the individual is a political celebrity in other countries. If yes, the teller should enforce proper control measures and conduct regular reviews on the account.</p> <p>Legal entities: Where a non-individual applies to open an account, the teller shall obtain certificates verifying incorporation registration, official documents or other supporting certificates and shall, in addition, obtain the minutes of its Board of Directors meeting, Articles of Incorporation or financial statements before approving the application to open an account. The registration license for incorporation of the company, if any, may serve to be the non-individual account representative's (or responsible person's) secondary identification certificates. In the case of opening an account for a company, if the company's registration license has been collected and the search and recording of the company's registration has been conducted by a financial organization, it is not necessary to request the minutes of directors' meetings.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Original forms of identification are necessary as photocopies are not accepted.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Financial institutions are required to exercise extraordinary diligence if the transaction of a customer meets, among other things, the situations where the end beneficiary or transaction counterparty is found to be a terrorist individual or entity as advised by a foreign government via the Financial Supervisory Commission of the Executive Yuan.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>While customer identification verification and record-keeping are still required, financial institutions are exempt from the requirement to report to the Investigation Bureau, Ministry of Justice for the following transactions (even if the amount is TWD500,000 or larger):</p> <ol style="list-style-type: none"> a transaction (whether receivable or payable) conducted by a government entity, government corporation, an entity that exercises government power (within the consigned scope), a public/private school or a public utility and the funds prove to comply with the laws and regulations concerned of the government; an inter-bank transaction and fund arrangement: In the event a client of a fellow bank yields a payable amount through an inter-bank deposit account e.g. honouring a cheque issued by a fellow bank, the case shall still be handled as required if the transaction of a same client amounts to over the specific amount; the amounts paid by a national lottery dealer; transaction as payment collected for a third party (excluding the transaction in deposit of stock money for an earmarked account) where the payment note already expressly bears the name, identity Card number (including the code which enables the search of the identity of the transaction counterparty), category and amount of the transaction. In such a case, nevertheless, a duplicate copy of the payment note shall be archived to verify the transaction; and in cases of non-individual accounts such as a department store, megastore, supermarket chain, gas station, hospital, clinic, transportation entity, hotel, restaurant, which must deposit cash amounting to over the specific amount regularly or routinely in line with business needs, the Bank, while verifying the de facto needs, shall submit the name to the Investigation Bureau, Ministry of Justice for information. Declaration on a case-by-case basis may be dispensed with for such accounts unless the Investigation Bureau, Ministry of Justice responds on the contrary within ten days from receipt of the name list.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	<ol style="list-style-type: none"> for any currency transaction exceeding TWD500,000, financial institutions shall ascertain the identity of the customer, keep the transaction records as evidence and submit the financial transaction, the customer's identity and the transaction records to the Investigation Bureau and the Ministry of Justice. financial institutions are required to conduct enhanced due diligence measures where there is suspicion of money laundering or other illegal activities and in the case of wealth management customers.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	No specific requirements are required for PEPs.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Financial institutions are required to:</p> <ul style="list-style-type: none"> a) gather sufficient information about a respondent institution to fully understand the nature of the respondent's business and to determine, from publicly available information, the reputation of the institution and the quality of supervision, including whether it has been subject to a money laundering or terrorist financing investigation or regulatory action; b) assess the respondent institution's AML controls, and ascertain that they are adequate and effective; c) obtain approval from senior management before establishing new correspondent relationships; d) document the respective AML responsibilities of each institution; e) where a correspondent relationship involves the maintenance of 'payable-through accounts', it is necessary to identify the correspondent bank has strictly identified the customer's identity and be able to provide the relevant identity information if necessary.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Institutions are prohibited from establishing a correspondent relationship with any shell banks or any foreign financial organizations permitting any shell banks to use their account.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Banks are required to implement procedures that allow them to verify customer identity on non-face-face transactions just as effectively as they do on transactions conducted in person. Detailed procedures are in place for securities firms' handling of orders placed through non-face-to-face methods.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Intelligence Unit (FIU), Investigation Bureau and Ministry of Justice: http://www.mjib.gov.tw/mlpc/index.htm .

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2007 to 2009 – 5,229 SARs (FIU, Investigation Bureau and Ministry of Justice)</p> <p>GDP data is not available for this specific period.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<ul style="list-style-type: none"> a) for any currency transaction exceeding TWD500,000 b) passengers or service crew on board who cross the border with the carrier and carry the following items shall make declarations to customs. The customs shall report subsequently to the Investigation Bureau, Ministry of Justice. <ul style="list-style-type: none"> a. Cash of foreign currency with total amount exceeding a certain amount. b. Negotiable securities with a face value exceeding a certain amount.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Any non-suspicious currency transaction below TWD500,000.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<ul style="list-style-type: none"> a) Any financial institution not reporting any currency transaction exceeding TWD500,000 shall be punished by a fine between TWD200,000 and TWD1 million. b) Any financial institution not reporting any suspicious transaction shall be punished by a fine between TWD200,000 dollars and TWD1 million. However, if the violating financial institution is able to prove that the cause of such violation is not attributable to the intentional act or negligent act of its employee(s), no fine shall be imposed.

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Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	In respect of the internal controls of a financial institution, any suspicious transaction shall be reported to vice-CEO or the same level personnel.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Taiwan is a member of the Egmont Group and The Asia/Pacific Group on Money Laundering. Taiwan has cooperated with some countries to investigate AML matters.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (amended 1999 and 2006).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	AML is regulated by Commercial Affairs Department of Singapore. Please refer to link: http://www.cad.gov.sg/amlcft/stro/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	http://www.mas.gov.sg/legislation_guidelines/aml/aml_notices_guidelines.html http://app.cra.gov.sg/public/www/content.aspx?sid=42
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Customer due diligence is required. However the extent of due diligence performed may vary based on the risk. For example, in respect of simplified customer due diligence, the regulation states that a bank may perform such simplified customer due diligence measures as it considers adequate to effectively identify and verify the identity of the customer, a natural person appointed to act on the customer's behalf and any beneficial owner, if it is satisfied that the risks of money laundering and terrorist financing are low (certain conditions apply).

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Requirement to identify and verify customers, natural persons appointed to act on a customer's behalf and beneficial owners. This includes a) verification using reliable, independent sources; and b) retaining copies of all reference documents used to verify the identity of these persons.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Where the customer provides copies and not original identification documents, financial institutions may consider accepting documents that are certified to be true copies by qualified persons.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	There are requirements to take reasonable measures to understand the ownership and control structure of the customer, and enquire if any beneficial owner exists in relation to a customer. Where there is one or more beneficial owner (s) in relation to a customer, the financial institution needs to take reasonable measures to obtain information sufficient to identify and verify the identities of the beneficial owner (s).
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Financial institutions may perform simplified customer due diligence measures it considers adequate to effectively identify and verify the identity of the customer, a natural person appointed to act on the customer's behalf and any beneficial owner, if it is satisfied that the risks of money laundering and terrorist financing are low. However simplified customer due diligence arrangements are not allowed in certain circumstances, such as: a) where the customer originates from or is based in a country/jurisdiction known to have inadequate AML/CFT measures; and/or b) where the financial institution suspects that money laundering or terrorist financing is involved.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required to be taken in situations such as: a) when dealing with Politically Exposed Persons ('PEPs'); b) when dealing with types of customers, business relations or transactions the financial institution assesses to present a higher risk for money laundering and terrorist financing; and c) when dealing with business relations and transactions with any person originating from or based in countries and jurisdictions known to have inadequate AML/CFT measures.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	In all circumstances.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Generally, a bank shall satisfy itself of the money laundering risks and perform the following: a) assessing the suitability of the respondent bank; b) documenting the respective AML/CFT responsibilities of each bank; and c) obtaining approval from the bank's senior management to provide new correspondent banking services.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Prohibited to enter into or continue correspondent banking relations with a shell bank.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Where there is no face-to-face contact, the financial institution is required to carry out customer due diligence measures that are as stringent as those that would be required to be performed if there were face-to-face contact.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious Activity Reports (SARs) are reported to Commercial Affairs Department of Singapore - http://www.cad.gov.sg/amcft/stro/
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Reporting to Commercial Affairs Department of Singapore is made based on unusual transactions and transactions beyond certain threshold.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	There is no de-minimis threshold. The emphasis is on the suspicious nature of the transaction rather than the quantum.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes. Under the Monetary Authority of Singapore (Anti-Terrorism Measures) Regulations 2002, no financial institution is allowed to deal direct or indirectly with any person suspected of carrying out terrorism activities unless written approval is obtained from MAS.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes but subject to compliance with conditions and restrictions.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001 (amended 2005, with stricter customer due diligence and money laundering regulations implemented in 2007).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Under the 2005 amendment, responsibility for customer due diligence and filing of Cash Transaction Reports (CTRs) was imposed. Customer due diligence has been self-controlled by each financial institution and is now compulsory in the 2007 regulations.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Korea Financial Intelligence Unit (KoFIU, http://www.kofiu.go.kr/) is the regulator for AML for financial institutions.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes. KoFIU has been provided guidelines for regional AML Requirements (Link).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - the amendments made in 2007 require entities to retrospectively verify the identity of high risk customers only.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - prior to the 2007 amendments of the AML regulations, a risk based approach to customer due diligence was optional. Under the 2007 amendments, a risk based approach is compulsory and guidelines have been prepared.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes – in 2009, Korea has been the subject of a FATF Mutual Evaluation. Relevant report is available at the FATF Website (Link).

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	The minimum thresholds for occasional transactions under which customer due diligence is not required are as follows: - USD10,000 or equivalent in the case of a transaction in a foreign currency; and - KRW20,000,000. Transactions less than KRW 20,000,000 should be aggregated over a certain period. If the aggregated amount exceeds this threshold, customer due diligence should be conducted.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individual (including agent): Name, identification number, date of birth, nationality, address and contact (phone number, email address). Profit organisation: Corporate name, registration number, category of business, address, contact and name of owner. Non-profit organisation or others: Organisation name, registration number, category of business, address of headquarters and branches, contacts and name of owner.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	None stated in local regulations or guidance.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	If any suspicious fact about a beneficial owner is detected from a transaction, the regulations advise that the identity of the person and the purpose of the transaction be obtained, although there is no detailed guidance on this. Identification and verification processes of customers have been strengthened in the updated regulations and guidance, including verification of beneficial ownership.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	The revision to regulations in 2005 allows for some exceptions as follows: a) cash payments and receipts between financial institutions; b) cash payments and receipts with the central and provincial governments and public institutions; and c) cash payments and receipts that are prescribed in the presidential decree because the transactions have no risk of money laundering. Simplified due diligence has been included in the updated regulations and guidance.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	The updated regulations recommend that enhanced customer due diligence is applied in respect of customers that fall into major high risk categories specified by the FATF, such as Politically Exposed Persons ('PEPs'), private banking, correspondent banking and terrorist facilitators/financiers.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The updated regulations recommend that enhanced customer due diligence is applied to overseas PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	The updated regulations recommend that enhanced due diligence is performed for correspondent banking relationships.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Financial institutions must ensure that all electronic financial services and products, such as Automated Teller Machine (ATM) transactions, internet banking and telephone banking, are based on accounts established through face-to-face identification. Financial institutions must also have policies and procedures in place to address any specific risks associated with non face-to-face transactions, and must implement them when establishing new business relationships and conducting ongoing customer due diligence.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Korea Financial Intelligence Unit (KoFIU) required Suspicious Activity Report (Link).
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs 2010 – 236,068 SARs (KoFIU)</p> <p>GDP (in current prices): 2010 – USD1,014,483 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD4.3 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes – financial institutions in Korea have obligations for Currency Transaction Reports (CTR), which is the requirement for reporting transaction above KRW20,000,000 to KoFIU.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Yes – below KRW1,000,000 occasional transactions.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes – imprisonment for a period not exceeding 1 year or a fine not exceeding KRW5 million per individual responsible for SAR reporting.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes – on transaction monitoring progress, linked or individual transactions identified as suspicious should be reported to KoFIU.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No – local AML regulations do not mention this issue, but transferring information of individual and financial transaction is prohibited by Korean privacy regulations.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	Philippine Republic Act (R.A.) No. 9160 otherwise known as The Anti Money Laundering Act of 2001 ('AMLA') was signed into law on 29 September 2001 and took effect on 17 October 2001. The Implementing Rules and Regulations took effect on 2 April 2002. On 7 March 2003, R.A. No. 9194 (An Act Amending R.A. No. 9160) was signed into law and took effect on 23 March 2003. The revised Implementing Rules and Regulations took effect on 7 September 2003.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	Anti Money Laundering Council (AMLC) of the Philippines - http://www.amlc.gov.ph/ .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	"Anti Money Laundering Act (AMLA) at a Glance" summary: http://www.amlc.gov.ph/amla.html The Bangko Sentral ng Pilipinas (BSP; local central bank) issues "Key Prudential Regulations" on Money Laundering for bank and non-bank financial institutions regulated by the BSP: http://www.bsp.gov.ph/regulations/key_aml.asp
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	None. It should be noted that under R.A. 9160, only Covered Institutions are mandated by the AMLA to submit covered and suspicious transaction reports to the Anti-Money Laundering Council ('AMLC'). These are: a) banks and all other entities, including their subsidiaries and affiliates, supervised and regulated by the Bangko Sentral ng Pilipinas (BSP or Philippine Central Bank); b) insurance companies and all other institutions supervised or regulated by the Insurance Commission; and c) securities dealers, "pre-need" companies, foreign exchange corporations and other entities supervised or regulated by the Philippine Securities and Exchange Commission. Only Covered Institutions are required to establish and record the true identity of their clients based on official documents. They shall maintain a system of verifying their legal existence and organisational structure, as well as the authority and identification of all persons purporting to act on their behalf. Covered Institutions shall establish appropriate systems and methods based on internationally compliant standards and adequate internal controls for verifying and recording the true and full identity of their customers.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	None stated in local regulations or guidance.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	None. The AMLA defines 'covered transactions' as single transactions in cash or other equivalent monetary instruments involving a total amount in excess of PHP500,000 within one banking day (equates to approx. GBP6,300). But regardless of whether these are covered transactions, the establishment and recording of the true identity of clients of Covered Institutions would cover all their clients.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: The following minimum information/documentation shall be obtained from individual customers: a) Name; b) Present address; c) Permanent address; d) Date and place of birth; e) Nationality; f) Nature of work and name of employer or nature of self-employment/business; g) Contact numbers; h) Tax identification number, Social Security System number or Government Services and Insurance System number; i) Specimen signature; j) Source of funds; and k) Names of beneficiaries in cases of insurance contracts.</p> <p>Corporate and Judicial Entities: The following minimum information/documentation shall be obtained from customers that are corporate or judicial entities, including shell companies and corporations: a) Articles of Incorporation / Partnership; b) By-laws; c) Official address or principal business address; d) List of directors / partners; e) List of principal stockholders owning at least 2% of the capital stock; f) Contact numbers; g) Beneficial owners, if any; and h) Verification of the authority and identification of the person purporting to act on behalf of the client.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>Individuals: Covered Institutions shall require customers to produce original documents of identity issued by an official authority, bearing a photograph of the customer. Examples of such documents are identity cards and passports.</p> <p>Corporate/Judicial Entities: Before establishing business relationships, Covered Institutions shall endeavour to ensure that the customer is a corporate or judicial entity which has not been or is not in the process of being dissolved or wound up, or that its business or operations have not been or are not in the process of being closed, shut down, phased out, or terminated.</p> <p>Applicable to all types: No new accounts shall be opened and created without face-to-face contact and full compliance with the above mentioned requirements.</p> <p>Though it is not defined in the local regulations or guidance, as a common business practice, banks and other institutions require copies of original documents to be certified as true copies by the issuing agency (e.g. copies of Articles of Incorporation / Partnership should be certified by the Securities and Exchange Commission), or by an independent lawyer or public notary (in the case of certifications and affidavits issued by an individual).</p>
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>When dealing with customers who are acting as trustee, nominee, agent or in any capacity for and on behalf of another, Covered Institutions shall verify and record the true and full identity of the person(s) on whose behalf a transaction is being conducted.</p> <p>Covered Institutions shall retain accounts only in the true and full name of the account owner or holder. The provisions of existing Philippine laws regarding anonymous accounts, accounts under fictitious names, and all other similar accounts shall be prohibited.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None stated in local regulations or guidance.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	None stated in local regulations or guidance.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Nothing specific mentioned in local regulations or guidance for due diligence procedures performed for correspondent banking relationships. Nonetheless, when dealing with customers who are acting as trustee, nominee, agent or in any capacity for and on behalf of another, Covered Institutions shall verify and record the true and full identity of the person(s) on whose behalf a transaction is being conducted.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	No – however dealings with shell companies and corporations, being legal entities which have no business substance in their own right, but through which financial transactions may be conducted, should be undertaken with extreme caution.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	No new bank accounts shall be opened and created without face-to-face contact and full compliance with the above mentioned requirements. In case a Covered Institution has doubts when dealing with customers who are acting as trustee, nominee, agent or in any capacity for and on behalf of another, that they are being used as dummies in circumvention of existing laws, they shall immediately make the necessary inquiries to verify the status of the business relationship between the parties.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	AMLC: http://www.amlc.gov.ph/assistance.html

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Covered transactions are single transactions in cash or other equivalent monetary instrument involving a total amount in excess of PHP500,000 within one banking day Suspicious transactions are transactions with covered institutions, regardless of the amounts involved, where any of the following circumstances exists: a) there is no underlying legal/trade obligation, purpose or economic justification; the client is not properly identified; b) the amount involved is not commensurate with the business or financial capacity of the client; c) the transaction is structured to avoid being the subject of reporting requirements under the AMLA; d) there is a deviation from the client's profile/past transactions; e) the transaction is related to an unlawful activity/offense under the AMLA; f) and transactions similar or analogous to the above.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Refer to Q20 above.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>Failure to keep records is committed by any responsible official or employee of a covered institution who fails to maintain and safely store all records of all transactions of the institution, including closed accounts, for five years from the date of the transaction/closure of the account. Penalty is 6 months to 1 year imprisonment or a fine of not less than PHP100,000 but not more than PHP500,000, or both.</p> <p>Malicious reporting is committed by any person who, with malice or in bad faith, reports/files a completely unwarranted report or false information relative to money laundering transaction against any person. Penalty is 6 months to 4 years imprisonment and a fine of not less than PHP100,000 but not more than PHP500,000, at the discretion of the court. The offender is not entitled to avail the benefits of the Probation Law.</p> <p>If the offender is a corporation, association, partnership or any judicial person, the penalty shall be imposed upon the responsible officers, as the case may be, who participated in, or allowed by their gross negligence, the commission of the crime.</p> <p>If the offender is a judicial person, the court may suspend or revoke its license.</p> <p>If the offender is an unknown, he shall, in addition to the penalties prescribed, be deported without further proceedings after serving the penalties prescribed.</p> <p>If the offender is a public official or employee, he shall, in addition to the penalties prescribed, suffer perpetual or temporary absolute disqualification from office, as the case may be.</p> <p>Breach of confidentiality: When reporting covered or suspicious transactions to the AMLC, covered institutions and their officers/employees are prohibited from communicating directly or indirectly, in any manner or by any means, to any person/entity/media, the fact that such report was made, the contents thereof, or any other information in relation thereto. In case of violation thereof, the concerned official and employee of the covered institution shall be criminally liable. Neither may such reporting be published or aired in any manner or form by the mass media, electronic mail or other similar devices. In case of a breach of confidentiality published or reported by media, the responsible reporter, writer, president, publisher, manager and editor-in-chief shall also be held criminally liable. Penalty is 3 to 8 years imprisonment and a fine of not less than PHP500,000 but not more than PHP1 million.</p>
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	<p>No, however, covered institutions are required to register with the AMLC and enrol in the online transactions reporting module and covered/suspicious transaction reports module: http://www.amlc.gov.ph/archive.html#Registration</p> <p>Detailed guidance can be found here: http://www.amlc.gov.ph/archive/Reporting%20Procedures.pdf</p>
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	<p>Authority to Inquire into Bank Deposits: Notwithstanding the provisions of R.A. 1405 (Law on Secrecy of Bank Deposits), as amended, R.A. No. 6426, as amended, R.A. No. 8791, and other laws, the AMLC may inquire into or examine any particular deposit or investment with any banking institution or non-bank financial institution upon order of any competent court in cases of violation of this act when it has been established that there is probable cause that the deposits/investments are involved/related to an unlawful activity as defined in Sec. 3(i) of the AMLA or a money laundering offense under Sec. 4 thereof; except that no court order shall be required in cases involving kidnapping for ransom; drug trafficking and related offenses; and hijacking, destructive arson and murder, including those perpetrated by terrorists against non-combatant persons and similar targets.</p>
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The Anti Money Laundering (AML) Act was enacted in March 2010 after its approval by the Parliament of Pakistan.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Before issuance of the AML Act in 2010, the AML Ordinance was issued in 2007 by the President of Pakistan.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	State Bank of Pakistan is the regulator for AML controls for banking and related services while SECP (Securities and Exchange Commission) is the concerned regulator for all other entities. http://www.sbp.gov.pk/ , http://www.secp.gov.pk/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No such guidance.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes –performed by Asia Pacific Group on Money Laundering – Mutual Evaluation Report dated 9 July, 2009 http://www.apgml.org/documents/docs/17/Pakistan%20MER%20-%20final%20version.pdf

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No threshold was defined in the AML Act 2010. However, organisations have defined their own internal monetary thresholds.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Some of the requirements are as follows:</p> <p>Individuals: Attested copy of Computerised National Identity Card (CNIC) or passport. In the case of a salaried person, copy of his service card or any other evidence of service. In the case of an illiterate person, a passport size photograph of the new account holder along with his right and left thumb imprint.</p> <p>Partnership: Attested copy of CNIC of all partners, partnership deed and registration certificate, attorney letter in favour of persons authorised to operate the account.</p> <p>Joint Stock Companies: Board resolution for account opening, Memorandum & Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business, attested copy CNIC of all directors and list of directors.</p> <p>Club, Societies and Associations: Certificate of Registration, By laws/Rules and Regulations, Resolution of Governing Body, Executive Committee for account opening.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Banks/Development Finance Institutions (DFIs) shall ensure that the CNIC and the photograph are for the same person whose account is being opened with them. The particulars/CNIC of such persons must be confirmed from the National Database Registration Authority (NADRA) in writing or through its "VeriSys" system by the bank/DFI.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Bank/Development Financial Institutions (DFIs) and their branches shall obtain satisfactory evidence, duly verified/authenticated by the branch manager, which shall be placed on record in respect of:</p> <ol style="list-style-type: none"> the true identity of the beneficial owners of all accounts opened by a person, entity etc; and the party with interest or the controlling person/entity of the account(s) in the case of nominee or minors' accounts.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	None stated in local regulations or guidance. For precaution, standard due diligence measures are prescribed without any permitted exceptions for reduced/simplified due diligence arrangements. Some of the organisations have enhanced due diligence measures in place for high-risk customers.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	<p>Banks/DFIs shall develop guidelines for customer due diligence, including a description of the types of customers that are likely to pose a higher than average risk to a bank/DFI. In preparing such policies, factors such as the customers' background, country of origin, public or high profile position, nature of business, etc. should be considered. Enhanced due diligence shall be applied in following cases:</p> <ol style="list-style-type: none"> high risk customers such as those countries where there are few KYC and money laundering regulations, those with links to offshore tax havens, customers in cash based businesses with high value items and high net worth customers with no clear identifiable source of income etc; where they have reason to believe that the customer has been refused banking facilities by another bank/DFI; for opening of correspondent banks' accounts and taking appropriate measures to obtain all relevant information about the respondent bank; in dealing with non face-to-face/online customers. Adequate measures in this regard should also be put in place e.g. independent verification by a reliable third party, client report from the previous bank/DFI of the customer.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	There are no specific requirements for additional due diligence related to PEPs. However, in practice, banks generally apply enhanced due diligence for PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The banks/DFIs shall gather sufficient information about their correspondent banks to understand fully the nature of their business. Factors to consider include:</p> <ol style="list-style-type: none"> Know Your Customer policy; information about the correspondent bank's management and ownership; major business activities; their location; money laundering prevention and detection measures; the purpose of the account; the identity of any third party that will use the correspondent banking services (i.e. in the case of payments through the accounts); and conditions of the bank regulation and supervision in the correspondent's country.

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Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - the banks/DFIs should refuse to enter into or continue a correspondent banking relationship with a bank incorporated in a jurisdiction in which it (the correspondent bank) has no physical presence and which is unaffiliated with a regulated financial group (i.e. shell banks). The banks/DFIs should also guard against establishing relations with correspondent foreign financial institutions that permit their accounts to be used by shell banks.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In dealing with non face-to-face/online customers, adequate measures should also be in place e.g. independent verification by a reliable third party, client report from the previous bank/DFI of the customer etc.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	For banking organizations, to the local regulator i.e. State Bank of Pakistan. http://www.sbp.gov.pk/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Preferred but not a requirement

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The current regime is captured under the Financial Transactions Reporting Act 1996. However, in October 2009 the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 was passed. Regulations to the Act were gazetted on 30 June 2011. Reporting entities are required to be fully compliant within two years i.e. by 30 June 2013.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A – previous regime still in force until 30 June 2013.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	<ul style="list-style-type: none">a) for banks, life insurers, and non-bank deposit takers, the Reserve Bank of New Zealand (Reserve Bank) is the relevant AML/CFT supervisor: http://www.rbnz.govt.nz/b) for issuers of securities, trustee companies, futures dealers, collective investment schemes, brokers, and financial advisers, the Financial Markets Authority is the relevant AML/CFT supervisor: http://www.fma.govt.nz/c) for casinos, non-deposit-taking lenders, money changers, and other reporting entities that are not covered by paragraph (a) or (b), the Department of Internal Affairs is the relevant AML/CFT supervisor: http://www.dia.govt.nz/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	AML Programme guideline: http://www.rbnz.govt.nz/aml/4616911.pdf Interpreting "Ordinary course of business": http://www.rbnz.govt.nz/aml/4533970.pdf Identity Verification Code of Practice: http://www.rbnz.govt.nz/aml/4512701.pdf
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Under the current regime, there is no such requirement. Under the new Act, reporting entities will be required to re-verify existing customers where there is both a material change in the nature or purpose of the business relationship and the reporting entity considers that it has insufficient information on that customer. For anonymous accounts, reporting entities will be required to undertake standard customer due diligence when they become aware of existing anonymous accounts regardless of whether a material change in the nature or purpose of the business relationship has occurred.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	The current regime does not incorporate a risk based approach. However the new Act is risk based.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	http://www.fatf-gafi.org/document/28/0,3746,en_32250379_32236963_43998044_1_1_1_1,00.html

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – under the current regime, occasional (cash) transactions under NZD10,000 will not require customer due diligence. Under the new Act, "Occasional Transactions" thresholds have been established. These are thresholds at which customer due diligence will need to be carried out in respect of occasional transactions including but not limited to: a) those over NZD9,999.99; b) cash transactions in a casino that are for NZD6,000 or more; c) travellers' cheques NZD5,000 ; d) money & postal orders NZD1,000; and e) foreign exchange transactions over NZD1,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	The current Financial Transactions Reporting Act (1996) requires that where a financial institution is required to verify the identity of a customer and that verification must be carried out by means of documentary or other evidence that is reasonably capable of establishing the identity of that person. However, the Act is silent on the exact documentation considered reasonably capable of proving a person's identity. The proposed legislation will likely prescribe what identity information is required. Requirements for verification of identity are explained in the following document : http://www.rbnz.govt.nz/aml/4512701.pdf
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Identification documents must be certified as a true copy by one of a number of categories of individuals. This largely remains unchanged under the new regime.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The beneficial ownership threshold level is to be set at 25%. This means any individuals owning 25% (or more) of a customer would be subject to CDD requirements.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Currently, the only exceptions to verification requirements are where a person has an account at two different institutions and wishes to conduct a transaction from one account to the other. In this case, the first institution may rely on the fact that the second institution would have verified the person's identity at the time that the facility was opened there. The only condition is that the first institution must satisfy itself that the other facility exists. Also, when there are three or more facility holder's signatories to an account, only the principal facility holder's identity has to be verified. The new Act specifically deals with simplified CDD. The regulations also define the application of simplified due diligence in respect of section 18(1) of the Act. Simplified due diligence is essentially reduced measures for entities that are deemed to be lower risk i.e. Government departments, listed companies etc.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	The current Financial Transactions Reporting Act (1996) is relatively silent on enhanced customer due diligence. Under the new Act, a reporting entity must conduct enhanced customer due diligence in accordance with sections 23 and 24 of the Act in the following circumstances: a) if the reporting entity establishes a business relationship with a customer that is— (i) a trust or another vehicle for holding personal assets; (ii) a non-resident customer from a country that has insufficient anti-money laundering and countering financing of terrorism systems or measures in place; (iii) a company with nominee shareholders or shares in bearer form; b) if a customer seeks to conduct an occasional transaction through the reporting entity and that customer is— (i) a trust or another vehicle for holding personal assets; (ii) a non-resident customer from a country that has insufficient anti-money laundering and countering financing of terrorism systems or measures in place; (iii) a company with nominee shareholders or shares in bearer form; c) if a customer seeks to conduct, through the reporting entity, a complex, unusually large transaction or unusual pattern of transactions that have no apparent or visible economic or lawful purpose; d) when a reporting entity considers that the level of risk involved is such that enhanced due diligence should apply to a particular situation.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The current Financial Transactions Reporting Act (1996) does not directly address PEPs. The new Act requires foreign PEPs to undergo enhanced customer due diligence
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Under the new Act, the correspondent must: <ul style="list-style-type: none"> a) gather enough information about the respondent to understand fully the nature of the respondent's business; and b) determine from publicly available information the reputation of the respondent and whether and to what extent the respondent is supervised for AML/CFT purposes, including whether the respondent has been subject to a money laundering or financing of terrorism investigation or regulatory action; and c) assess the respondent's anti-money laundering and countering financing of terrorism controls to ascertain that those controls are adequate and effective; and d) have approval from its senior management before establishing a new correspondent banking relationship; and e) document the respective AML/CFT responsibilities of the correspondent and the respondent; and f) be satisfied that, in respect of those of the respondent's customers who have direct access to accounts of the correspondent, the respondent: <ul style="list-style-type: none"> (i) has verified the identity of, and conducts ongoing monitoring in respect of, those customers; and (ii) is able to provide to the correspondent, on request, the documents, data, or information obtained when conducting the relevant customer due diligence and ongoing customer due diligence.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Not under the current regime but is prohibited under the new Act.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Under the current Financial Transactions Reporting Act (1996), the identity of those involved in non face-to-face transactions must be verified. Under the new regime, for non face-to-face transactions, identity documents can be endorsed by one of a number of nominated persons (police officer, lawyer etc)
Reporting	
Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious Transaction Reports (STRs) are made to the New Zealand Police's Financial Intelligence Unit: http://www.police.govt.nz/service/financial
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 4,357 SARs GDP data is not available for this specific period.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No – only a requirement for the reporting entity to file a STR if it has reasonable grounds to suspect that the transaction or proposed transaction is or may be: <ul style="list-style-type: none"> a) relevant to the investigation or prosecution of any person for a money laundering offence; or b) relevant to the enforcement of the Misuse of Drugs Act 1975; or c) relevant to the enforcement of the Terrorism Suppression Act 2002; or d) relevant to the enforcement of the Proceeds of Crime Act 1991 or the Criminal Proceeds (Recovery) Act 2009; or e) relevant to the investigation or prosecution of a serious offence within the meaning of section 243(1) of the Crimes Act 1961.

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Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>It is an offence to fail to report a suspicious transaction, or to provide misleading information or unlawfully disclose a STR or fail to keep adequate records in relation to filing of STRs or to obstruct the investigation into a STR.</p> <p>Penalties are:</p> <ul style="list-style-type: none">a) in the case of an individual, either or both of the following:<ul style="list-style-type: none">(i) a term of imprisonment of not more than 2 years;(ii) a fine of up to NZD300,000; andb) in the case of a body corporate, a fine of up to NZD5 million.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, but it is encouraged.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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Q1	In what year did the relevant AML laws and regulations become effective?
A1	2002

Q2	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2	N/A

Q3	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A3	No.

Q4	Is a risk based approach approved by the local regulator(s)?
A4	Yes - a risk based approach is approved, but a specific approach is not detailed and it remains the responsibility of the reporting institution to devise an approach.

Q5	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise since 2003? If yes, please find a link to a relevant report (if publicly available).
A5	Yes - Asia Pacific Group in 2001 and second round in February 2007. The 2007 report is available at: http://www.apgml.org/documents/docs/17/Malaysian%20MER%20-%20FINAL%20August%202007.pdf

Customer due diligence

Q6	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A6	No.

Q7	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A7	<p>Individuals: reporting institutions should obtain at least: full name; date of birth; nationality; permanent and mailing address; and NRIC/passport number. Institutions should verify the identity, representative capacity, domicile, legal capacity, occupation or business purpose of any person, as well as other identifying information on that person, whether an occasional or usual client, through the use of documents such as an identity card, passport, birth certificate, driver's licence, or any other official or private document.</p> <p>Corporates: reporting institutions should require the company/business to provide original documentation and copies should be made of each of the following documents:</p> <ol style="list-style-type: none"> Memorandum and Articles of Association / Certificate of Incorporation / partnership; identification documents of directors / shareholders / partners; authorisation for any person to represent the company / business; and identification document of the person authorised to represent the company / business in its dealing with the reporting institution.

Q8	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A8	Original documents must be provided and the reporting institution should make copies, as required. Certified true copies / duly notarised copies may be accepted.

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Q9	What are the high level requirements around beneficial ownership (identification and verification)?
A9	The reporting institution must identify and verify the beneficial owner. They should conduct customer due diligence on the natural person that ultimately owns or controls the customer's transaction when they suspect the transaction is conducted on behalf of a beneficial owner and not the customer who is conducting such a transaction. The customer due diligence conducted should be as stringent as that imposed on an individual customer.
Q10	In what circumstances are reduced/simplified due diligence arrangements available?
A10	A simplified customer due diligence process is adopted for lower risk categories of customers, business relationships or transactions. The relevant simplified process may vary from case to case depending on the customers' background, transaction type and specific circumstances.
Q11	In what circumstances are enhanced customer due diligence measures required?
A11	Local AML guidance requires an enhanced customer due diligence process for higher risk categories of customers, business relationships or transactions. Enhanced due diligence should include at least obtaining more detailed information from the customer and through publicly available information, in particular, on the purpose of the transaction and source of funds; and obtaining approval from the Senior Management of the reporting institution before establishing the business relationship with the customer. Examples of higher risk customers are individuals with high net worth, non-resident customers, individuals from locations known for their high rates of crime (e.g. drug producing, trafficking, smuggling), countries or jurisdictions with inadequate AML/CFT laws and regulations as highlighted by the FATF, PEPs, legal arrangements that are complex (e.g. trust, nominee), cash based businesses, and businesses/activities identified by the FATF as of higher money laundering and financing of terrorism risk.
Q12	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A12	PEPs are foreign individuals who have been or are being entrusted with prominent public functions, such as head of state or government, senior politicians, senior government officials, judicial or military officials and senior executives of public organisations. Once a PEP is identified, the reporting institution should take reasonable and appropriate measures to establish the source of wealth and funds of such a person.
Q13	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A13	There are no specific references to correspondent banking relationships in local AML guidance. However, if the correspondent banks are located in countries or jurisdictions with inadequate AML/CFT laws and regulations as highlighted by the FATF, they are referred to as higher risk customers and transactions. Hence, enhanced due diligence, as set out in A11 above, should be undertaken.
Q14	Are relationships with shell banks specifically prohibited?
A14	There are no specific references to the prohibition of relationships with shell banks in local AML guidance.
Q15	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A15	Best practice requires that institutions pay special attention in establishing and conducting business relationships via information communication technology, for example the internet, post, fax or telephone.



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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	Based on the revisions of the FATF 40 Recommendations in 2003, Japan enforced the 'Act on Prevention of Transfer of Criminal Proceeds' in 2008. The act has been amended on 28 April 2011 and will be effective from 1 April 2013. Several other laws implemented for Anti-Money Laundering measures include the following: a) Anti-Drug Special Prevention Law (1992); b) Act on the Punishment of Organized Crime (2000); c) The Customer Identification Act (2003) - this law was later integrated into The Act on Prevention of Transfer of Criminal Proceeds and then revoked; and d) The Act on Prevention of Transfer of Criminal Proceeds (2008 and amended 2011)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Under the 'Act on Prevention of Transfer of Criminal Proceeds (2008)', the customer identification information for verification was as follows. Natural person: name; address; date of birth Legal Entity: name; location of the head or main office
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	a) Japan Financial Services Agency (FSA) and JAFIC (Japan Financial Intelligence Center): http://www.fsa.go.jp/en/index.html b) See a) c) In addition to JAFIC, there are respective regulatory agencies for each business operator: http://www.npa.go.jp/sosikihanzai/jafic/jaficenglishpage/jaficenglish.html
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Japan FSA has issued 'Comprehensive Supervisory Guidelines' for the financial sector. Although they are general guidelines for financial institutions, it contains some guidance regarding Anti-Money Laundering compliance.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Financial institutions are required to verify the identity of customers upon undertaking the specified transactions from pre-existing customers, where customer identification was not undertaken before the implementation of 'The Act on Prevention of Transfer of Criminal Proceeds'.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Despite the fact that the AML regime in Japan is not risk based, some aspects of this approach are incorporated into the local guidelines issued by the Japan FSA. According to local guidelines, banks are expected to establish and maintain an internal control environment to detect, monitor, and analyse suspicious customers, considering various factors such as customer attributes, transaction types and customer business profiles. In addition, the Japanese Bankers Association issued the 'Guidance Note on the Risk based Approach' in November 2007 for combating money laundering and terrorist financing. The Guidance Note is available for member banks and advises on the implementation of the risk based approach.

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Japan was reviewed in October 2008- http://www.fatf-gafi.org/document/61/0,3746,en_32250379_32236963_41684733_1_1_1_1,00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - customer identification is not required for one-off cash transactions below JPY2,000,000 (approximately USD24,000) and one-off wire transfer transactions below JPY100,000 (approximately USD1,200).

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The verification method of customer identification information varies depending upon customer types i.e., a natural person or legal entity:</p> <p>Natural person: The following information has to be verified from valid customer identification documents such as a driving licence, passport, alien registration card or any other acceptable documents:</p> <ul style="list-style-type: none">a) name;b) address; andc) date of birth. <p>In addition, the following information will be required after 1 April 2013, based on the amended act:</p> <ul style="list-style-type: none">d) occupation; ande) purpose of the business relationship. <p>Legal Entity: The following information has to be verified from valid identification documents such as certificate of registration, seal registration certificate or any other acceptable documents:</p> <ul style="list-style-type: none">a) name; andb) location of the head or main office. <p>In addition, the following information will be required after 1 April 2013, based on the amended act:</p> <ul style="list-style-type: none">(a) business contents; and(b) purpose of the business relationship.

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Upon receiving copies of identification documents, financial institutions are required to use registered mail (which cannot be forwarded) to complete the customer identification process. The customer identification process is considered complete unless the registered mail is returned to the financial institution as being undelivered.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	For legal entities, the beneficial owners owning more than 25% of its shares or voting rights are required to be identified and their identities verified.

Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced due diligence arrangements are not explicitly stipulated in law/regulations. Rather, the ordinance exempts certain types of transactions from customer identification requirements (e.g. transactions with the government or governmental entities), due to no or limited money laundering/terrorist financing risk.

Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	<ul style="list-style-type: none">a) In cases where the Specified Operator suspects that the counterparty of the transaction may impersonate to be a customer or its representative;b) In cases where Specified Operator suspects that the counterparty of the transaction may be disguising identification items at the execution of the transaction; orc) Transactions with the Customer originating in Iran or North Korea.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	There is no legal obligation to undertake additional due diligence steps with respect to PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	There is no legal obligation for a financial institutions to undertake enhanced due diligence steps with respect to correspondent banking relationships. However, local guidelines issued by the Japan FSA expect financial institutions to appropriately assess the prospective foreign financial institutions before entering into the correspondent banking relationships.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No - relationships with shell banks are not explicitly prohibited. However, local guidelines issued by the Japan FSA expect financial institutions to ascertain that prospective foreign financial institutions are not shell banks.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Upon initiating non face-to-face transactions such as internet or telephone banking, financial institutions are required to verify a customer's address by sending registered mail.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SARs are submitted to the respective regulatory agency (e.g., Financial Sector: Japan FSA), and consolidated by JAFIC.
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 294,305 SARs</p> <p>GDP (in current prices): 2010 – USD5,458,837 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD18.5 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, an administrative penalty may be received from the respective authorities.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, an administrative penalty may be received from the respective authorities.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Q1	In what year did the relevant AML laws and regulations become effective?
A1	2002 (amended 2003)
Q2	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2	N/A
Q3	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A3	No.
Q4	Is a risk based approach approved by the local regulator(s)?
A4	Yes - as required by the Bank of Indonesia (central bank) and the Ministry of Finance.
Q5	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise since 2003? If yes, please find a link to a relevant report (if publicly available).
A5	No.

Customer due diligence

Q6	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A6	Yes - transactions amounting to IDR 100,000,000 for walk-in customers.
Q7	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A7	Financial institutions shall conduct a face-to-face meeting with prospective customers, at least once at the time of account opening. Individuals: obtain name, address, date of birth and verification documentation from a regulatory body authorised to issue documents, which includes customer's full name and photograph, and either address or date of birth, for example an identity card, passport or photocard driving licence. Corporates: obtain name, registration number, registration office in country of incorporation, tax registry number, business address, and identity of personnel who have the legal authority to represent the company.
Q8	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A8	Original identification documents should be provided by the prospective customer, and the financial institution should have an adequate record keeping system in relation to identification documents.

Questions and Answers:

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Q9	What are the high level requirements around beneficial ownership (identification and verification)?
A9	The requirements for beneficial owners are the same as the requirements for individual and corporate customers.
Q10	In what circumstances are reduced/simplified due diligence arrangements available?
A10	Simplified due diligence arrangements are acceptable when other financial services firms are subject to the Money Laundering Regulations or equivalent, and firms are regulated in Indonesia, or in a comparable jurisdiction by equivalent regulators.
Q11	In what circumstances are enhanced customer due diligence measures required?
A11	Banks should conduct enhanced due diligence where the customer: a) originates from a high risk country or territory; b) their business is categorised as high risk; or c) is considered to be high risk due to his/her position as a high ranking public officer.
Q12	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A12	There is no clear definition of PEPs in AML Regulations. However, banks are required to perform enhanced due diligence for customers who are high ranking public officials.
Q13	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A13	There are two conditions for compliant banking relationships: a) if the correspondent bank is regulated by a territory which has the equivalent standard of KYC implementation to Indonesia, then a formal letter should be written stating that the bank has implemented KYC in relation to the customer properly; and b) if the correspondent bank is regulated by a territory which has lower KYC standards than Indonesia, then the bank shall conduct KYC procedures with the customer.
Q14	Are relationships with shell banks specifically prohibited?
A14	Yes.
Q15	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A15	Face-to-face meetings should be performed at least once in the account opening process. There is no other exception for this requirement.



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Q1	In what year did the relevant AML laws and regulations become effective?
A1	2005

Q2	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2	The Indian Prevention of Money Laundering Act was prepared in 2002. However, this act came into force in 2005 after the creation of the Financial Intelligence Unit in India in November 2004.

Q3	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A3	No.

Q4	Is a risk based approach approved by the local regulator(s)?
A4	Yes - the local regulator (Reserve Bank of India) allows banking companies, financial institutions and intermediaries to use a risk based approach.

Q5	Has the country been the subject of a FATF (of FATF-style) Mutual Evaluation or IMF assessment exercise since 2003? If yes, please find a link to a relevant report (if publicly available).
A5	No - India is an Associate Member of the FATF, a member of The Asia Pacific group on Money Laundering. The Indian Financial Intelligence Unit is member of The Egmont Group. The country, however, has not been subject to a FATF Mutual Evaluation or IMF assessment exercise.

Customer due diligence

Q6	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A6	There are requirements for banking companies, financial institutions and intermediaries to verify and maintain identification records of all its clients. Banking companies, financial institutions and intermediaries have to maintain records in respect of : a) all cash transactions of the value of more than 'rupees ten lakhs' (Rupees One Million) or its equivalent in foreign currency; b) all series of cash transactions integrally connected to each other which have been valued below 'rupees ten lakhs' (Rupees One Million) or its equivalent in foreign currency where such series of transactions have taken place within a month; c) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or document has taken place facilitating the transactions; d) all suspicious transactions whether or not made in cash.

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Q7	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A7	<p>The banking company, financial institution or intermediary must verify and maintain the records in respect of identity and current address of the clients. The documents required are:</p> <p>Individuals: Official valid documents such as passport, driving licence, Permanent Account Number (PAN) Card, Voter's Identity Card issued by the Election Commission of India or any other document.</p> <p>Corporates:</p> <ul style="list-style-type: none"> a) Certificate of incorporation; b) Memorandum and Articles of Association; c) a resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; d) an official valid document in respect of managers, officers or employees holding an attorney to transact on its behalf. <p>Association of Persons or Body of Individuals:</p> <ul style="list-style-type: none"> a) resolution of the managing body of such association or body of individuals; b) power of attorney granted to him to transact on its behalf; c) an official valid document in respect of the person holding an attorney to transact on its behalf; and d) such information as may be required by the banking company or the financial institution or the intermediary to collectively establish the legal existence of such an association or body of individuals.
Q8	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A8	Certified copies of an official valid document may be used.
Q9	What are the high level requirements around beneficial ownership (identification and verification)?
A9	The banking company, financial institution or intermediary should take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows who the beneficial owner(s) is/are.
Q10	In what circumstances are reduced/simplified due diligence arrangements available?
A10	<p>Customers can be categorised based on their risk profile. For example, individuals and entities whose identities and sources of wealth can be easily identified may be categorised as low risk. Reduced due diligence arrangements may be followed by the banking company</p> <ul style="list-style-type: none"> a) financial institution or intermediary in the case of low risk customers.
Q11	In what circumstances are enhanced customer due diligence measures required?
A11	<p>Customers that are likely to pose a higher than average risk to the bank may be categorised as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc. Banks may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. Examples of customers requiring higher due diligence may include a) nonresident</p> <ul style="list-style-type: none"> customers; b) high net worth individuals; c) trusts, charities, NGOs and organizations receiving donations; d) companies having a close family shareholding or beneficial ownership; e) firms with 'sleeping partners'; f) Politically Exposed Persons ('PEPs') of foreign origin; g) non-face to face customers; and h) those with a high risk reputation as per public information available etc.
Q12	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A12	Banks should gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain. Banks should verify the identity of the person and seek information about their sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should be taken at a senior level which should be clearly identified in the Customer Acceptance policy. Banks should also subject such accounts to enhanced monitoring on an ongoing basis. The above may also be applied to the accounts of the family members or close relatives of PEPs.
Q13	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A13	Banks should gather sufficient information to understand fully the nature of the business of the correspondent/respondent bank. Banks should try to ascertain from publicly available information whether the other bank has been subject to any money laundering or terrorist financing investigation or regulatory action. It should also be satisfied that the respondent bank has verified the identity of the customers having direct access to the accounts and is undertaking ongoing 'due diligence' on them. The correspondent bank should also ensure that the respondent bank is able to provide the relevant customer identification data immediately on request.

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Q14	Are relationships with shell banks specifically prohibited?
A14	Guidance issued by the local regulator prohibits entering into a correspondent relationship with shell banks. Shell banks are not permitted to operate in India. Banks should also guard against establishing relationships with respondent foreign financial institutions that permit their accounts to be used by shell banks.
Q15	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A15	In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, the banks must adopt specific and adequate procedures to mitigate the higher risk involved. If necessary, additional documents may be called for in such cases. In the case of cross-border customers, there is the additional difficulty of matching the customer with the documentation and the bank may have to rely on third party certification. In such cases, it must be ensured that the third party is a regulated and supervised entity and has a) adequate KYC systems in place.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	<p>The primary legislation governing AML in Hong Kong is as follows:</p> <ul style="list-style-type: none">a) Drug Trafficking (Recovery of Proceeds) Ordinance - 1989 (amended 2005) ("DTROP")b) Organized and Serious Crimes Ordinance - 1994 (amended 2008) ("OSCO")c) United Nations (Anti-Terrorism) Measures Ordinance - 2002 (amended 2005) <p>The Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("AMLO") was enacted by the Legislative Council on 8 July 2011 and will come into operation on 1 April 2012.</p>
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A. However, it should be noted that the AMLO will become effective in April 2012.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial Sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	<p>The Financial Services and Treasury Bureau has taken over the overall co-ordinating role for anti-money laundering / counter-terrorist financing policies and monitor Hong Kong's overall compliance with all the FATF recommendations: (http://www.fstb.gov.hk/fsb/aboutus/welcome/index.htm)</p> <p>The Hong Kong Monetary Authority (HKMA) is the regulator for AML controls for banking sector: (http://www.hkma.gov.hk/eng/index.shtml)</p> <p>The Securities and Futures Commission (SFC) is the regulator for AML controls for securities sector: (http://www.sfc.hk/sfc/html/EN/index.html)</p> <p>The Officer of the Commissioner of Insurance (OCI) is the regulator for AML controls for insurance sector (http://www.oci.gov.hk/about/index.html)</p> <p>The Narcotics Division of Security Bureau (ND) will assist in overseeing the implementation of the FATF recommendations that are related to the non-financial sectors and the non-profit organisations with a view to ensuring that the anti-money laundering / counter-terrorist financing measures taken by the relevant sectors and organisations are in line with established international standards. It is responsible for revising the guidelines for other non-financial sector (i.e. Designated Non-Financial Businesses and Profession ("DNFBP") including lawyers, accountants, estate agents, trust and company service providers, and precious metal and stone dealers).L (http://www.nd.gov.hk/en/index.htm)</p> <p>The Narcotics Bureau of Hong Kong Police Force is responsible for issuing guideline for the Remittance Agents and Money Changers in Hong Kong.</p>
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	<p>Yes, the links of the guidance note issued by the relevant authorities are set out as below:</p> <ul style="list-style-type: none">a) Guideline on Prevention of Money Laundering issued by the HKMA (July 2010) (http://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/guideline/g33.pdf)b) Supplement to the Guideline on Prevention of Money Laundering issued by the HKMA (July 2010) (http://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/guideline/g33a.pdf)c) Prevention of Money Laundering and Terrorist Financing Guidance Note issued by the SFC (September 2009) (http://www.sfc.hk/sfcRegulatoryHandbook/EN/displayFileServlet?docno=H419)d) Guidance Note on Prevention of Money Laundering and Terrorist Financing issued by the OCI (October 2010) (http://www.oci.gov.hk/download/gn3.pdf)e) The Guideline for Remittance Agents & Money Changers (2007)f) Anti-Money Laundering & Counter-Terrorist Financing – A Practical Guide for: Accountants, Estate Agents, Precious Metals and Precious Stones Dealers and Trust and Company Service Providers (June 2009) (http://www.nd.gov.hk/pdf/moneylaundering/AML_eng_full_version.pdf)g) The Guideline for Precious Metals and Precious Stone Dealers (2008) (http://www.nd.gov.hk/pdf/pmpsd_guideline-e.pdf)h) An Advisory Guideline on Preventing on Misuse of Charities for Terrorist Financing (July 2007) (http://www.nd.gov.hk/pdf/guideline-e.pdf) <p>It should be noted that new practical guidance notes are yet to be finalised by relevant authorities following the passing of the AMLO (which is effective April 2012).</p>

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Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	<p>No - although under the revised guidelines, enhanced AML assessment requirements are expected to be applied to all customers, including existing customers. As part of their ongoing AML due diligence process, intermediaries should consider and determine whether additional identification information, in line with the current standards, should be obtained from all existing customers, particularly those customers in higher risk categories. In particular, authorised institutions regulated by the HKMA are required to conduct a review at least on an annual basis on all high risk customers to ensure that the customer's records maintained are up-to-date and relevant.</p> <p>Under the AMLO, which will become effective on 1 April 2012, the identity of existing customers is not subject to retrospective verification. The AMLO only requires the financial institution to review the documents, data and information relating to the customer that is held at the time it conducts the review.</p>

Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	It is expected that financial institutions should adopt a risk based approach to customer due diligence and ongoing monitoring (e.g. suspicious transaction monitoring).

Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	<p>Generally speaking, the current legislation does not specifically set out minimum transaction thresholds where customer due diligence is or is not required. However, less stringent due diligence requirements would be permitted in certain circumstances, such as:</p> <ol style="list-style-type: none"> a remittance / exchange transaction carried out by remittance agents / money changers, where the transaction amount is less than HKD8,000 or equivalent; or a transaction carried out by authorised institutions on behalf of a non-account holder, where the transaction amount is less than HKD120,000 or equivalent.

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: The identity of an individual including his/her name, residential address (and permanent address if different), date of birth and nationality, etc. should be obtained. Identification should be from documents issued by official or reputable sources, i.e., passports or identity cards. The address should be checked by appropriate means, e.g. by reviewing utility or rates bills or checking the electoral roll.</p> <p>Corporates: The following documents or information should be obtained, including the Certificate of Incorporation / Business Registration Certificate, the board resolution evidencing the opening of the account and conferring authority on those who will operate it, identification documents of the directors, principal shareholders and account signatories, as required. Additional requirements will arise for higher risk customers.</p>

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of identification documentation should generally be checked against original documents. However, reliance may be placed on a 'suitable' certifier to certify that the copy document is a complete and an accurate copy of the original. Such certifiers include, inter alia, an embassy, a lawyer, notary, public or senior civil servant.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	There is a requirement to identify the beneficial ownership and control, i.e. to determine which individual(s) ultimately own(s) or control(s) the direct customer, and/or the person on whose behalf a transaction is being conducted. For corporates, the identity of the principal shareholders (e.g. those holding 10% or more voting interests) should be identified and verified.

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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	The HKMA, SFC and OCl all take a risk based approach and in the circumstances where there is no suspicion of money laundering, the inherent risk of money laundering or terrorist financing is assessed to be low, and there is adequate public disclosure in relation to the customers, a simplified due diligence arrangement may be adopted. Examples of customers who are of a lower risk are: <ul style="list-style-type: none">a) financial institutions authorised/supervised by the HKMA, SFC, OCl or by an equivalent authority in a jurisdiction that is a FATF member or in an equivalent jurisdiction;b) public companies that are subject to regulatory requirements, e.g. listing;c) government, government related organisations and state-owned enterprises of an equivalent jurisdiction;d) companies which acquire an insurance policy for pension schemes which does not have a surrender clause and the policy cannot be used as collateral; ande) companies which acquire a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme.
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	Enhanced due diligence is required for higher risk categories of customers, business relationships or transactions. These may include companies with unduly complex ownership structure, Politically Exposed Persons ('PEPs'), correspondent banking relationships with banks incorporated in jurisdictions that do not meet international AML standards, customers who are not physically present for identification purposes, or remittance transactions for which the remittance messages do not contain complete originator information.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Local regulatory guidance includes a requirement to gather sufficient information from a new customer and check publicly available information to establish whether or not the customer is a PEP. The decision to open an account for a PEP should be taken at a senior management level. A number of risk factors that institutions should consider in handling a business relationship with a PEP are also outlined.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	A bank providing correspondent banking services is required to gather sufficient information about its respondent banks to understand their business. Approval from senior management should be sought before establishing new correspondent banking relationships and the respective responsibilities of each institution should be documented. Particular care is required if a correspondent banking relationship is maintained with banks incorporated in jurisdictions that do not meet international AML standards, or where the respondent banks allow the direct use of the correspondent account by their customers to transact business on their own behalf (i.e. payable-through accounts).
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Firms are required to apply effective customer identification procedures to satisfy the true identity of the customer. Such procedures may include: <ul style="list-style-type: none">a) requisition of additional documents to complement those required for face-to-face customers;b) independent contact with the customer by the firm; andc) requiring the first payment from the account to be made through an account in the customer's name with a bank having satisfactory customer due diligence standards.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SARs should be made to Joint Financial Intelligence Unit ("JFIU") and the relevant regulator of the reporting entity: (http://www.jfiu.gov.hk/en/str.html#how)

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2011 (to Oct 2011) – 16,525 SARs. GDP data is not available for this specific period.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes - Financial institutions are obliged to report to JFIU if they encounter the following scenarios: a) Customers are reluctant to provide normal information when opening an account, providing minimal or fictitious information or, when applying to open an account, providing information that is complex or expensive for the institution to verify; or b) Customers who decline to provide information that in normal circumstances would make the customer eligible for credit or for other banking services that would be regarded as valuable.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Institutions are required to refrain from carrying out transactions which they know or suspect to be related to money laundering until they have informed the JFIU which consents to the institution carrying out the transactions. Where it is impossible to refrain or if this is likely to frustrate efforts to pursue the beneficiaries of a suspected money laundering operation, institutions may carry out the transactions and notify JFIU on their own initiative and as soon as it is reasonable for them to do so.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	There are no explicit restrictions on "offshore" transactions monitoring provided that the other regulatory requirements are fulfilled.



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Last updated: January 2012

General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The 2006/7 primary legislation governing AML in China is as follows: a) Anti-money Laundering Law (2006) b) Provisions on Anti-money Laundering through Financial Institutions (2006) c) Administrative Measures for Financial Institutions on Report of Large-sum Transactions and Doubtful Transactions (2006) d) Administrative Measures for Financial Institutions on Report of Transactions Suspected of Financing for Terrorist Purposes (2007) e) Administrative Measures for Financial Institutions on Identification of Client Identity and Preservation of Client Identity Materials and Transactions Records (2007).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Prior to the Anti-Money Laundering Law, China issued three main regulations on monitoring and reporting large-sum and suspicious transactions within financial institutions in 2003, requiring financial institutions to take the responsibilities of identifying, monitoring and reporting the doubtful and suspicious capital flow. Previously the regulations applied to proceeds of drug crime, organised crime, terrorism and smuggling. This has been broadened to specifically include proceeds of corruption, taking bribes, violating the financial management order and financial fraud.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	The AML law in China covers both financial institutions which include banks, insurance companies, securities firms and other deposit taking institutions, as well as the non-financial sector. The People's Bank of China (PBOC) is the main enforcement body who carry out on-site inspections and apply fines if violations are found. The industry regulatory body for Banking is China Banking Regulatory Commission (CBRC); for Insurance Firms and Securities firms it is respectively the China Insurance Regulatory Commission (CIRC) and China Securities Regulatory Commission (CSRC). For Non-financial sectors, the general responsibility rests with the State Administration for Industry and Commerce (SAIC).
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - with the issuance of the latest KYC regulations in 2007, regulators require financial institutions to establish a risk-based KYC approach and report to People's Bank of China (PBOC - Central Bank of China). Financial institutions should classify risk ratings according to the characteristics of their clients and review the KYC documentation of higher risk clients every six months. The risk rating standards should be reported to PBOC.

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	FATF has completed an assessment of the implementation of anti-money laundering and counter-terrorist financing standards in the People's Republic of China (China). The first Mutual Evaluation Report of China was adopted by the FATF Plenary in June 2007.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - for one-off services such as cash remittance, cash exchange and negotiable instrument cashing, the threshold is a one-off transaction of RMB10,000 or foreign currency with a value of USD1,000 or equivalent. For property insurance contracts paid in cash, the threshold is a single amount insurance premium of RMB10,000, or foreign currency of value USD1,000 or equivalent. For life insurance contracts paid in cash, the threshold is a single amount insurance premium of RMB20,000 or foreign currency of value USD2,000 or equivalent. For any insurance contracts paid by account transfer, the threshold is an insurance premium of RMB200,000 or foreign currency of value USD20,000 or equivalent.

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>If any financial institution establishes a business relationship with a client or provides one-off financial services such as cash remittance, cash conversion and bill payment beyond the prescribed amount, it shall verify and record the customer name and identification number, supported by original documentation. If the customer is represented by an agent, the financial institutions shall verify and record both the agent and the principal's identity details.</p> <p>Individuals: financial institutions are required to verify the customer identification information by a site visit in a face-to-face meeting; they should enquire with the public security bureau and check the online citizens' identity information system owned by the PBOC.</p> <p>Corporates: financial institutions are required to verify the customer identification information by a site visit in a face-to-face meeting; in addition, they should enquire with the state administration of industry and commerce.</p>

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Where copies of identification documentation are provided, financial institutions are required to confirm the certified copies with the authentication body, to ensure the accuracy of the information provided. If the financial institution certifies the identity through a third party, it should be assured that the third party has adopted measures for client identity clarification as prescribed by the present Law.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	If a financial institution establishes a business relationship of personal insurance or trust with its client, in the case that the contractual beneficiary is not the client himself, the financial institution shall also verify and register the identity certificate or any other identification document of the beneficiary.

Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>When one financial institution (the trustor) entrusts another financial institution (the trustee) to sell financial products to clients, the trustor can rely on the customer due diligence conducted by the trustee based on the following conditions:</p> <ol style="list-style-type: none">the customer due diligence undertaken by the trustee meets the requirements of anti-money laundering laws and regulations; andthe trustor is able to effectively obtain and preserve the KYC information.

Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	None stated in local regulations or guidance.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	None stated in local regulations or guidance.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>There is no specific regulation or guidance on this area in the 2007 AML law update . However, the Administration Regulation on Electronic Banking Business, published by the China Banking Regulatory Commission (CBRC), covers electronic banking including wire transfer, internet banking and telephone banking. This requires that the financial institutions intending to provide cross-border electronic banking services must make an application to the CBRC and provide the following documents:</p> <ul style="list-style-type: none">a) the country and its law / regulation relating to electronic banking;b) the main customers and services it intends to provide;c) the analysis and prediction of the business volume and the size of the customer base in the next three years; andd) the legal compliance analysis on cross-border electronic banking. <p>There is no other specific KYC or other requirement issued by the authorities that specifically covers correspondent banking.</p>

Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	China Anti-Money Laundering Monitoring and Analysis Center (CAMLMAC) http://www.camlmac.gov.cn/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2009 – 42.5 million SARs</p> <p>GDP (in current prices) 2009 – USD4,991,256 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD117,441 of GDP.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc. ?
A20.	Different thresholds are used to define Large Value Transactions which are mandatory for reporting – for individuals, the threshold is defined as daily cash transaction over RMB200,000 or USD10,000; or wire transactions over RMB500,000 or USD100,000. For entities other than individuals, the threshold is defined as RMB2 million or USD200,000.

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Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, the People's Republic of China's AML law states that the Chairman, senior manager or any other person responsible are punishable. Penalties include disciplinary sanction or revoking of qualification to hold a post, fine of RMB10,000 up to RMB500,000 to an individual or/and RMB20,000 up to RMB5 million to the organization. For very serious cases, the regulator can order to suspend business for rectification or to revoke its business license.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes. PBOC decree 2 2006 requires financial institutions to monitor and report both large value and suspicious transactions based on a set of pre-defined patterns/threshold.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	None stated in local regulations or guidance.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2006 (with staggered implementation from 13 December 2006 to 12 December 2008, thus phasing in the new legislation and replacing the old). A second tranche to include accountants, lawyers, real estate and others has been delayed.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	There is no new legislation; however Rules are still being released. In addition, new sanctions legislation was enacted in 2011. The old legislation (Financial Transaction Reports Act 1988) is still in force but applies to a limited number of entities.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	The Australian Transaction Reports and Analysis Centre (AUSTRAC) regulates AML across all industry sectors; http://www.austrac.gov.au/
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Guidance on AML requirements has been provided by AUSTRAC: http://www.austrac.gov.au/
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - although there are certain 'trigger events' that require a reporting entity to verify the identity of existing customers. An example of such a trigger event is the customer accessing a new product or service.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes – this is the central theme of the AML regime.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No – scheduled for 2013.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No - however a certain number of exemptions have been provided for transaction thresholds in industries including bullion, low value superannuation, gaming service providers and currency exchange at accommodation facilities.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: The reporting entity must obtain the customer's name, residential address and date of birth. The customer's full name and either their date of birth or their residential address must be verified based on reliable and independent documentation and/or electronic data.</p> <p>Corporates: The reporting entity must collect from the customer the following information:</p> <ol style="list-style-type: none">the company's full registered name;registered address;principal place of business address; andAustralian Company Number (ACN) or Australian Registered Business Number (ARBN). <p>This information can be verified using a range of documentation or electronic data. Reporting entities must include a procedure for the reporting entity to verify, at a minimum, the following information about a company in the case of a domestic company:</p> <ol style="list-style-type: none">the full name of the company as registered by the Australian Securities and Investments Commission (ASIC);whether the company is registered by ASIC as a proprietary or public company; andthe Australian Company Number (ACN) issued to the company. <p>There is further guidance in chapter 4 of the AML/CTF Rules Instrument 2007 (No.1) where the customer is:</p> <ol style="list-style-type: none">a domestic company;a foreign company that has registered its presence in Australia; ora foreign company that has not registered its presence in Australia. <p>There are also customer identification requirements for other types of entities such as trusts, associations and clubs.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Identification documents must be certified as a true copy by one of a number of categories of qualified individuals including legal practitioners, Justices of the Peace and Police Officers. A list of authorised persons can be found in chapter 1 of the AML/CTF Rules.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	A reporting entity must collect the full name and address of each beneficial owner of a public or proprietary company, other than a company that is licensed and subject to the regulatory oversight of an Australian Commonwealth, State or Territory statutory regulator. The reporting entity should take a risk based approach to determining whether and the extent to which this information should be verified. The reporting entity should also take a risk based approach to determining whether to collect and/or verify the name and address of each beneficial owner of a foreign public company, a domestic unlisted company, or a company that is licensed and subject to the regulatory oversight of a Commonwealth statutory regulator. Australia is under pressure to expand the practical application of ultimate beneficial ownership. There may therefore be changes in the future which could be more prescriptive than the current risk based approach.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified due diligence procedures are available to reporting entities in accordance with the risk based approach and procedures that they adopt.</p> <p>Certain pre-commencement customers are subject to modified identification procedures, in that those procedures do not have to be completed prior to the commencement (or continuation, in this case) of the designated service. For information on medium or low risk customers refer to chapter 4 of the AUSTRAC Regulatory</p> <p>Guide available at www.austrac.gov.au .</p>
Q13.	In what circumstances is enhanced customer due diligence measures required?
A13.	Enhanced due diligence procedures are required to be implemented by reporting entities in accordance with the risk based approach and procedures that they adopt. Risk triggers specified in the rules as requiring enhanced customer due diligence are where the provision of a designated service is high risk or when a suspicion has arisen.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Reporting entities are required to consider the risk posed by PEPs in accordance with the risk based approach and procedures that have been adopted by the reporting entity.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Due diligence assessments must be carried out on the financial institution with which they wish to enter a correspondent banking relationship, prior to the commencement of the relationship and at regular intervals thereafter.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Reporting entities are required to consider the additional risk posed by non face-to-face business, in accordance with the risk based approach and procedures they have adopted. There are currently no specific rules or guidance relating to non face-to-face business.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious matter Reports are made to AUSTRAC, who act as Regulator and FIU http://www.austrac.gov.au/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010/11 - 46,670 SMRs (AUSTRAC) GDP data is not available for this specific period.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	All Threshold Transactions (TTRs) over AUD10,000 in cash and all International Funds Transfer Instructions (IFTIs) are required to be reported to AUSTRAC.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No minimum threshold for suspicious activity (SMRs), or International Funds Transfers (IFTIs), but AUD10,000 for Cash Transactions (TTRs).

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, prohibited under criminal law.

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Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No requirement to have automated monitoring, but AML rules require each reporting entity to have a suspicious activity monitoring program.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Rules silent on how to monitor and where – AUSTRAC focuses on appropriateness of arrangements.



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Questions and Answers:

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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1994 (amended 2003 and 2007). New AML Regulations have taken effect in the UK since 15 December 2007.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	<ul style="list-style-type: none">a) Financial Services Authority (FSA): http://www.fsa.gov.uk/b) Financial Services Authority (FSA): http://www.fsa.gov.uk/c) HM Revenue and Customs: http://www.hmrc.gov.uk/ The Law Society: http://www.lawsociety.org.uk/home.law The Institute of Chartered Accountants in England and Wales (ICAEW): http://www.icaew.com
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Key sources of practical guidance with regard to AML requirements include: <ul style="list-style-type: none">a) Joint Money Laundering Steering Group (JMLSG): http://www.jmlsg.org.uk/b) The Institute of Chartered Accountants in England and Wales (ICAEW): http://www.icaew.com/en/technical/legal-and-regulatory/money-laundering/uk-law-and-guidancec) HM Revenue and Customs: http://www.hmrc.gov.uk/MLR/d) The Law Society: http://www.lawsociety.org.uk/productsandservices/practicenotes/aml.page
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - with the Financial Services Authority leading the work in terms of firms' legal obligations and their practical implementation.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.fatf-gafi.org/dataoecd/55/29/39064399.pdf (29 June 2007) A mutual evaluation follow-up report was released in October 2009: http://www.fatf-gafi.org/dataoecd/44/8/44048060.pdf

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one off transactions below EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Evidence of identity can be in documentary or electronic form:</p> <p>Individuals: full name, residential address and date of birth ideally from a government issued document which includes the customer's full name and photo, and either residential address or date of birth e.g. valid passport, valid photo card driving licence etc; or a government issued document (without a photograph) which includes the customer's full name, supported by a second document, either a government-issued, or issued by a judicial authority, a public sector body or authority, a regulated utility company, or another FSA-regulated firm in the UK financial services sector or in an equivalent jurisdiction, which includes the customer's full name and either residential address or date of birth.</p> <p>Corporates (other than regulated firms): full name, registration number, registration office in country of incorporation, business address; and additionally, for private companies/unlisted companies: names of all directors (or equivalent) and names of individuals who own or control over 25% of its shares or voting rights. The firm should verify the existence of the corporate from either a confirmation of the company's listing on a regulated market or a search of the relevant company registry or a copy of the company's Certificate of Incorporation.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	UK Guidance states that where identity is verified electronically, or copy documents are relied upon, a firm should apply additional verification checks to manage the risk of impersonation fraud. For example, one of these checks may be to require copy documents to be certified by an appropriate person.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The Money Laundering Regulations require that beneficial owners owning or controlling more than 25% of body corporates, partnerships or trusts are identified, and that risk based and adequate measures are taken to verify their identities.</p> <p>Where a principal owner is another corporate entity or trust, the firm should take measures to establish the identities of its beneficial owners or trustees, unless that company is publicly quoted.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified due diligence may be applied to:</p> <ol style="list-style-type: none"> certain other regulated firms in the financial sector; companies listed on a regulated market; beneficial owners of pooled accounts held by notaries or independent legal professionals; UK public authorities; community institutions; certain life assurance and e-Money products; certain pension funds; certain low risk products; and child trust funds.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>A firm must apply, on a risk-sensitive basis, enhanced customer due diligence measures and enhanced ongoing monitoring in any situation which by its nature can present a higher risk of money laundering or terrorist financing. Three specific types of relationships where enhanced due diligence measures must be applied are:</p> <ol style="list-style-type: none"> where the customer has not been physically present for identification purposes; or in respect of a correspondent banking relationship with Respondents from non- European Economic Area ('EEA') states; or in respect of a business relationship or an occasional transaction with a Politically Exposed Person ('PEP').

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Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Firms are required, on a risk-sensitive basis, to: <ul style="list-style-type: none">a) have appropriate risk based procedures to determine whether a customer is a PEP;b) obtain appropriate senior management approval for establishing the business relationship with that customer;c) take adequate measures to establish the source of wealth and source of funds which are involved in the proposed business relationship or occasional transaction; andd) conduct enhanced ongoing monitoring of the relationship.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Best practice in the UK requires that due diligence should be undertaken using a risk-based approach. Enhanced due diligence measures must be applied in respect of a correspondent banking relationship with Respondents from non-European Economic Area ('EEA') states, but should be considered to be performed whenever the Respondent is considered to present a greater money laundering/terrorist financing risk. The enhanced due diligence process should further consider the following elements, designed to ensure that the Correspondent has secured a greater level of understanding of: <ul style="list-style-type: none">a) the Respondent's ownership and management;b) the Respondent's business;c) PEP involvement; andd) the Respondent's AML / terrorist financing controls.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Where a customer approaches firms by post, telephone or over the internet, i.e. has not been physically present for identification purposes, the firms must take specific and adequate measures to compensate for this higher risk such as carrying out non face-to-face verification, either electronically or by reference to documents. UK Guidance states that where identity is verified electronically, or copy documents are relied on, a firm should apply additional verification checks to manage the risk of impersonation fraud e.g. require copy documents to be certified by an appropriate person.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SOCA (Serious Organised Crime Agency): http://www.soca.gov.uk/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: October 2010 to September 2011 – 247,601 SARs (Source: SOCA Annual report 2011) GDP data is not available for this specific period.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes – The Proceeds of Crime Act 2002 (POCA) outlines the following penalties with regard to reporting requirements: a) Failure to report: up to five years imprisonment and/or an unlimited fine; and/or b) Tipping off: up to two years imprisonment and/or unlimited fine
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, however, the transaction monitoring should be performed by using adequate means which assumes use of some automated technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Consent is required from SOCA (UKFIU) to proceed with a current/ongoing transaction that is identified as suspicious.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The Law on Preventing Money Laundering (Law No: 4208) was enacted on 19 November 1996. This was subsequently updated and strengthened by the Prevention of Laundering the Proceeds of Crime (Law No: 5549) which came into force on 18 October 2006 and was amended on 1 April 2008.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Financial Crimes Investigation Board ("MASAK") http://www.masak.gov.tr/en/default.aspx , is the central authority for Suspicious Transaction Reporting. Other regulators for the AML controls for (a) Banking; (b) Other financial Services; (c) Non financial sector are: <ul style="list-style-type: none"> a) The Banking Regulation and Supervision Agency ("BRSA") - http://www.bddk.org.tr/websitesi/English.aspx ; b) The Capital Markets Board ("CMB") - http://www.cmb.gov.tr/index.aspx ; c) The Undersecretariat of Treasury - http://www.treasury.gov.tr/ .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - Financial Crimes Investigation Board_has a series of guidance documents for firms subject to regulations.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - in the scope of necessary measures, the Ministry of Finance has the authority to determine obliged parties and the implementation of principles and procedures, including measures to assign an officer with necessary authority at an administrative level for ensuring compliance with this Law and to establish training, internal control and risk management systems regarding the size of business and business volumes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No - the latest FATF Mutual Evaluation Report is dated 2 April 2007 - http://www.fatf-gafi.org/document/3/0_3746.en_32250379_32236963_38238787_1_1_1_1.00.html .

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - it is obligatory to record and maintain the identification information of customers for a purchase and sale, bank transfer, payment, exchange, barter, borrowing, lending, transfer of debt, transfer of claims, chartering, rental, deposit or withdrawal from deposit or current accounts, cheque and promissory note collection, capital market transactions or similar transactions above TRY20,000 (or its equivalent in foreign currency USD13,000). It is obligatory to record and maintain the identification information of customers for all wire transfers above TRY2,000 (USD1,300). It is obligatory to record and maintain the identification information of customers for premium payments with respect to life insurance contracts per year amounting to TL 2,000 or for one off premium payments amounting to TRY5,000 (USD3,400).
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Turkish national real persons – National identification card, driving licence or passport. In the case of a continuous transaction relationship: any utility bill (water, electricity, gas etc.) issued within the last three months of the date of transaction for address verification, and for telephone, fax and email verification through using the same channels. Foreign national real persons – Passport, residence permit or other identification cards determined to be valid by the Ministry of Finance. Address, telephone, fax, and email verification is the same as stated above. Legal persons registered under Chambers of Commerce – Trade gazettes, national identification card, driving licence or passport for Turkish national real persons and passport, residence permit or other identification cards determined by the Ministry of Finance for foreign national real persons authorised to represent the company, signature circulars, list of authorised company representatives and their signature circulars. The verification of the updated information is done through the Chamber of Commerce Databases and telephone, fax and email verification through using the same channels.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Submitted national identification cards, passports, driving licences and residence permits should be originals or copies stamped by the notary public. Trade gazettes and signature circulars should be stamped by Chambers of Commerce and notary publics, respectively.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	On behalf of real persons – National identification card, driving licence or passport of the person performing the transaction and the beneficiary and proxy document stamped by the notary public. Legal persons – Trade gazettes, signature circulars, list of authorised company representatives and their signature circulars of the beneficiary, national identification card, driving licence or passport of the person performing the transaction. If the person performing the transaction is not listed as an authorised company representative of the beneficiary, then a proxy document stamped by the notary public is required.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Financial institutions, bearing all responsibility, have the right to use third parties' (other financial institutions) identification of the customer only if they are certain that the third party took all necessary measures and met the requirements of the regulation with respect to the identification of the client and that the third party will provide identification documents stamped by the notary public at all times. The Ministry of Finance facilitates customer due diligence for: a) transfers between financial institutions realised on their own behalf; b) situations where the client is a government body covered by Law No: 5018; c) mass client acceptance within the framework of salary payment agreements; d) private pension plans based on cut of salaries; and e) listed companies.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	For complex and unusually high volume transactions, enhanced customer due diligence measures are required. There is a recommendation by The Financial Crimes Investigation Board stating that banks should utilise enhanced due diligence procedures for high-risk transactions. The risk is determined on the basis of various factors such as the background of the customer, country of residence, related bank accounts and commercial activities.

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Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	There is a recommendation by the Financial Crimes Investigation Board stating that financial institutions should utilise appropriate risk management policies to determine whether the customer is a PEP. In addition, financial institutions should obtain senior management approval to allow transactions for the PEP and to continue the relationship, if the beneficiary of an existing account turns out to be a PEP. They are also required to take appropriate measures to determine the source of funds of PEPs and apply continuous monitoring of their relationships with PEPs.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Regarding the respondent institution: a) the reason for establishing the business relationship should be investigated; b) public information regarding a possible investigation on the respondent institution due to AML or CFT should be researched; c) existing AML and CFT controls of the respondent institution should be evaluated; d) senior-management approval should be obtained; e) all AML and CFT responsibilities should be documented; and f) if the respondent relationship involves payable-through accounts, KYC procedures on customers with direct access to the respondent's accounts must be fully implemented and the respondent institution should provide identification information of its clients upon request.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - Financial institutions are prohibited to have respondent institution relationships with shell banks or with banks which are not confirmed not to be shell banks.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Liable parties should take additional due diligence measures with parties resident in high risk countries, gather and record as much information as possible regarding the nature and the objectives of the transactions unlikely to have reasonable legal and economic purposes.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious Activity Reports are made to Financial Crimes Investigation Board ("MASAK") - http://www.masak.gov.tr/en/default.aspx

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	"Unusual transactions" are described as suspicious transactions in the regulation. However there is no obligation to report cash transactions above thresholds or international wire transfers or any other transaction unless they are suspicious.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - MASAK states that: "According to Article 13 of Law No. 5549; The obliged parties violating any obligation shall be punished with administrative fine of TRY5,000 by the Presidency. If the obliged party is a bank, finance company, factoring company, money lender, financial leasing company, insurance and reinsurance company, pension company, capital market institution or bureau de change, administrative fine shall be applied two-fold."
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	There is no clear requirement to use automated monitoring technology. However, the Article 5 of Law 5549 states that "In the scope of necessary measures, the Ministry has the authority to determine obliged parties and implementation principles and procedures, including measures to assign an officer with necessary authority at administrative level for ensuring compliance with this Law and to establish training, internal control and risk management systems by regarding size of business and business volumes."
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1977 (amended at various stages between 1982 and 2009)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	a) Swiss Financial Market Supervisory Authority (FINMA): http://www.finma.ch/e/pages/default.aspx b) FINMA http://www.finma.ch/e/pages/default.aspx or various self-regulatory organisations (SROs), see a member list on http://www.finma.ch/e/beaufsichtigte/sro/Pages/default.aspx c) See (b)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	For Banks, the Swiss Banking Association provides an Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB 08) including a commentary: http://www.swissbanking.ch/en/home/publikationen-link/shop.htm .
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - customer identification is not required, however the financial intermediary must identify beneficial owners retrospectively.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.fatf-gafi.org/dataoecd/29/11/35670903.pdf and follow-up report - http://www.fatf-gafi.org/dataoecd/53/52/43959966.pdf .

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - due diligence obligations can be waived if the business relationship only involves assets of low value and there is no suspicion of money laundering or terrorist financing. The relevant thresholds are: <ul style="list-style-type: none"> a) for electronic payments for services and goods: CHF5,000 per calendar year and per client; b) for bilateral credit cards (including department store cards): CHF5,000 per month and per client; and c) in the case of financial leasing, CHF25,000 per calendar year and per client.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: For face-to-face contact, the bank verifies identity via an official identification document with a photograph (passport, identity card, driving licence, etc.) and puts on record the individual's full name, date of birth, address and nationality. For non face-to-face contact, the bank obtains a certified copy of an official identification document, as well as a confirmation of the domicile indicated, either through an exchange of correspondence or by any other appropriate method.</p> <p>Corporates: With a registered office in Switzerland the bank ascertains whether the firm's name is published in the official Swiss Commerce Gazette or listed on a public website for commercial register entries. Private directories/databases can also be used. Otherwise, identity must be established with an extract from the Commercial Register. Identity is verified with an extract from the Commercial Register or extracts from public websites for Commercial Register entries, or equivalent documents substantiating the existence of the legal entity or company (such as a certificate of incorporation). In addition, the identity of the individuals establishing the business relationship must also be checked and the bank must take note of and document the contracting partners' power of attorney arrangements. Further, the financial intermediary must acknowledge the provisions regulating the power to bind the legal entity, and verify the identity of the persons who enter into the business relationship on behalf of the legal entity.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Independent authentication of copies of official identification documents may be provided by branches, representative offices and subsidiaries of the bank, correspondent banks, other financial intermediaries recognised by the account opening bank as well as notaries and public authorities who customarily issue such confirmations of authenticity.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	All due diligence which can be reasonably expected under the circumstances must be exercised in establishing the identity of the beneficial owner. If there is any doubt as to whether the contracting partner is himself the beneficial owner, the bank shall require by means of Form A, a written declaration setting forth the identity of the beneficial owner.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	It is not necessary to formally verify the identity of a contracting partner when: <ul style="list-style-type: none"> a) an account, securities account or passbook is opened in the name of a minor by an adult third party, provided that the assets deposited at the outset do not exceed CHF25,000; however, the identity of the adult opening the account must be verified; b) a rental surety account is opened for a rented property located in Switzerland; or c) the legal entity is listed at a stock exchange.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Local regulations and guidance discuss higher risk business relationships and state various criteria that may be relevant to identifying higher risk businesses e.g. the domicile of the contracting party and beneficial owner, type of business, origin country of payment, volume of incoming funds, the complexity of the structures, notably in case of use of domicile companies and the absence of personal contact with the beneficial owner. Politically Exposed Persons and correspondent banking are specifically covered.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Business relationships with PEPs are regarded as higher risk and local regulations/guidance requires that enquiries should be made to ascertain whether the contracting partner/beneficial owner is a PEP. The means of investigation for such higher risk business includes: obtaining information in written or oral form from the contracting partner or beneficial owner, visits to the places of business of the contracting partner and beneficial owner, consultation of publicly accessible sources and databases, and information from trustworthy individuals where necessary.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	For cross-border banking relationships with foreign banks, the following due diligence procedures are to be performed in addition to the standard clarifications for high risk relationships: ensuring that the foreign bank is prohibited from entering into business relationships with shell banks, clarifying the AML and CFT controls implemented by the foreign bank and examining whether the foreign bank is subject to an equivalent regulation and supervision in the anti-money laundering and counter financing of terrorism domain. Furthermore a risk-based procedure has to be established concerning the processing of repeated wire transfer instructions which lack the required sender information.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In the case of business relations entered into through correspondence or via the internet, banks must verify the identity of the contracting partner by obtaining a certified copy of an official identification document as well as a confirmation of the domicile indicated, either through an exchange of correspondence or by any other appropriate method. Identification based on an official identification document at delivery or receipt of mail is also deemed as sufficient proof of identity, provided that personal delivery to the recipient is thus warranted. In addition, beneficial ownership according to Form A must invariably be provided by individuals entering into a business relationship with a bank through correspondence. For business relationships established by electronic means, the bank shall identify, mitigate and control the risk associated with the use of new technologies. The lack of personal contact with the contracting party and the beneficial owner is considered an element of increased risk, according to the domain of activity of the bank.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Money Laundering Report Office (MROS): http://www.fedpol.admin.ch/content/fedpol/en/home/themen/kriminalitaet/geldwaescherei.html

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 1,159 SARs (MROS)</p> <p>GDP (in current prices): 2010 – USD527,920 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD455.5 million of GDP.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Anyone who fails to comply with the duty to report shall be liable to a fine of up to CHF500,000, or in the case of negligence, up to CHF150,000.

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Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	The AML Ordinance requires banks, fund manager, investment companies and its asset managers and security dealers to operate an IT-based system for transaction monitoring.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	The financial intermediary must immediately freeze the assets connected with the report filed. It must continue to freeze the assets until it receives an order from the competent prosecution authority but, at the most, for five working days from the time the report is filed.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Transaction monitoring may be outsourced to persons outside Switzerland, provided that the respective information is still available in Switzerland and provided that the results are subject to a plausibility check in Switzerland. However, the Swiss financial intermediary remains responsible. Furthermore, the client needs to be informed in case of a transfer of client information outside Switzerland.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	In 2009, the 2009:62 Money Laundering and Terrorist Financing (Prevention) Act became effective
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	For general information in English: http://www.fi.se/Folder-EN/Startpage/Regulations/Money-laundering-/ a) The Swedish Financial Supervisory Authority (Finansinspektionen), http://www.fi.se/Regler/Penningtvatt/ b) The Swedish Financial Supervisory Authority (Finansinspektionen), http://www.fi.se/Regler/Penningtvatt/ c) The Swedish Financial Supervisory Authority only governs companies within the financial sector. For other sectors, different regulators are in charge: i. Casinos and lotteries: The Gaming Board for Sweden (Lotteriinspektionen), www.lotteriinspektionen.se/en/ ii. Realtors: The Swedish Board of Supervision of Estate Agents (Fastighetsmäklarnämnden), http://www.fastighetsmaklarnamnden.se/ iii. Other: the County Administrative Boards of Stockholm (http://www.lansstyrelsen.se/stockholm/En/Pages/default.aspx), Västra Götaland (http://www.lansstyrelsen.se/vastragotaland/En/Pages/default.aspx) and Skåne (http://www.lansstyrelsen.se/skane/En/Pages/default.aspx)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - by the Swedish Bankers' Association, http://www.penningtvatt.se/
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - if motivated by the risk for money laundering or terrorist financing.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	IMF Financial Sector Stability Assessment in 2011 (http://www.imf.org/external/pubs/ft/scr/2011/cr11172.pdf).

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - single or linked transactions under EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Reliable and independent information sources must be used and controls signed off and documented independently whether the customer is a legal or physical entity. For example, evidence of identity can be in documentary or electronic form. The following information is required:</p> <p>Individuals: approved identification documents with name and social security number. Remote customers can be identified with an approved electronic identity card to verify name, social security number and address. Foreigners must be identified through a passport.</p> <p>Legal entities: official registration documents and the identity of representatives through approved identification documents.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Third parties can be used or the financial institution can choose to perform these controls in-house. However, the financial institution always has responsibility for identification procedures and ensuring compliance with laws and regulations.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Beneficial owners who control more than 25% of shares in a company or have significant influence over a company should be identified directly through an identification check, through official databases or through other documents received that can verify the identity of the beneficial owners.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<ul style="list-style-type: none"> a) Swedish public authorities; b) Firms within the European Union ('EU') /European Economic Area ('EEA') and specified countries that have similar AML/ CFT legislation that conduct business as: <ul style="list-style-type: none"> i. banks (as defined by Swedish law); ii. life insurance companies; iii. securities firms (as defined by Swedish law); iv. certain other financial firms that are registered with the Swedish Financial Services Agency (FSA) (as defined by Swedish law); v. insurance brokers (as defined by Swedish law); vi. firms that issue electronic money (as defined by Swedish law); vii. mutual funds (as defined by Swedish law); and viii. registered payment service providers and payment institutions (as defined by Swedish law). c) Firms whose shares are listed on an exchange within EU/EEA as defined by 2004/39/EU or listed on an exchange outside the EU/EEA where the requirements correspond to 2004/39/EU; d) Life insurance products with an annual premium of maximum EUR1,000 or a one off premium of maximum EUR2,500; e) Certain occupational pensions; f) Electronic money with certain thresholds as defined by Swedish law; g) Certain pooled accounts in EU/EEA or in territories outside EU/EEA provided that certain requirements are met.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<ul style="list-style-type: none"> a) when a business relationship is established or an individual transaction is carried out with another at a distance.; b) when establishing a business relationship or having a single transaction with a Politically Exposed Person ('PEPs') who resides abroad; c) correspondent banking relationships with credit institutions outside EU/EEA; and d) when the risk of money laundering or financing of terrorism is deemed to be high.

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Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	a) the establishment of a business relationship; and b) single transactions. This only applies when the PEP is residing abroad.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Gather sufficient information about the bank in order to assess the reputation of the bank and the quality of supervision, assess the bank's AML/CFT controls, document the controls of each institution, obtain internal approval to establish a correspondent banking relationship and verify that the bank undertakes KYC procedures of its customers and can provide relevant information.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	When a business relationship is established or an individual transaction is carried out with another at a distance, such as opening bank accounts online.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Intelligence Unit (Finanspolisen), http://www.polisen.se/Om-polisen/Sa-arbetar-Polisen/Specialkompetenser/Finanspolisen/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 12,218 SARs (Financial Intelligence Unit - Finanspolisen) GDP (in current prices): 2010 – USD458,973 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD37.6 million of GDP.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - non compliance which is intentional or due to negligence carries penalties, according to Chapter 7 in 2009:62 Money Laundering and Terrorist Financing (Prevention) Act.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2010 (pending approval of the new Royal Decree of Law 10/2010)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Law 19/1993 regarding AML. (in force until 30 Mar 2010)
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	SEPBLAC: (the Executive Service of the Commission for Monitoring Exchange Control Offences): www.sepblac.com http://www.sepblac.es/espanol/acerca_sepblac/comision-comite-secretaria.htm
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	SEPBLAC Reports and Publications http://www.sepblac.es/espanol/informes_y_publicaciones/otra_documentacion.htm
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Until the issuing of the new Royal Decree for Law 10/2010, the following guidance under the previous regime are still applicable: http://www.sepblac.es/espanol/legislacion/norma-blanqueo.htm
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - SEPBLAC has been leading work to embed a risk based approach into AML controls, both in terms of firms' legal obligations and their practical implementation. Law 10/2010 reinforces this approach by enlarging the range of industries and activities affected by the updated regulation.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Last Mutual Report FATF/GAFI (2006) : http://www.fatf-gafi.org/document/54/0,3746,en_32250379_32236963_37068662_1_1_1_1,00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions (single or linked) under EUR3,000.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: firms should obtain a national identity document, permission of impeachment sent by the Ministry of Justice, passport or government issued document which includes the customer's full name and photograph. Additionally, firms must verify identification documents of all authorised persons of the account. Corporates: firms should obtain the following: full name, regulation form and number, business address and professional activity. Additionally, names and regulation documents of all Attorneys should be obtained.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies should be certified by an appropriate person, for example an employee of the commercial office.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The law determines that firms may consider it appropriate to verify the identity of appropriate beneficial owners. Where a principal owner is another corporate entity or trust, the firm should take measures to look behind that company or trust and establish the identities of its beneficial owners or trustees. The firm will then judge which of the beneficial owners exercise effective control, and whose identities should therefore be verified.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Simplified due diligence could be applied to some concrete clients and products. Detailed requirements for this are detailed in Law 10/2010, Section 2. Articles 9 and 10.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	The law determines that firms will require additional measures of identification for certain business transactions, including private banking, correspondent banking, on-line and telephone banking and currency exchanges. Enhanced due diligence must be applied for some particular clients and products. Detailed requirements for these activities are detailed in Law 10/2010, Section 3, Article 11: in general terms, and Article 16: for products and transactions where anonymous activity is possible.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Law 10/2010, Articles 14 and 15 detail the due diligence and monitoring requirements for PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Firms should take into account the greater potential for money laundering in a correspondent business relationship. Firms must send an AML questionnaire to their correspondent banks to verify that these banks have measures to control money laundering. Law 10/2010 Article 13 details the requirements for correspondent banking relationships.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Law 10/2010 Article 13 details the requirements for correspondent banking relationships. In particular, point 2 states that "financial entities do not set up relations or correspondent with shell banks".
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Firms should take account of the greater potential for money laundering in non face-to-face situations. Where a customer approaches a firm remotely (by post, telephone or over the internet), the firm should carry out non face-to-face verification, either electronically, or by reference to identification documents. Requirements for non face-to-face transactions and/or relationships are detailed in Law 10/2010, Article 12.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SEPBLAC: (the Executive Service of the Commission for Monitoring Exchange Control Offences) www.sepblac.com http://www.sepblac.es/espanol/acerca_sepblac/comision-comite-secretaria.htm
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	In Spain, until 2009, SARs were reported to authorities split into 2 ways, the General regime (Financial entities, Insurance related) and the Special regime, (notaries, attorneys, auditors, accountants, tax & legal advisors, casinos, real estate, jewellery, art dealers, numismatic & stamps, professional funds transportation) Volume of SARs: 2009 – 2,590, divided as follows: General regime: 2,326 and Special regime 2,264. GDP (in current prices): 2009 – USD1,464,089 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD565.3 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There are two different types of reporting in Spain: Systematic Reporting and Suspicious Transaction Report.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Article 17 of Law 10/2010 states that , the subject will review transactions or operations regardless of the amount
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Penalties for non compliance with Law 10/2010 requirements are detailed on Chapter VIII, Articles 50, 51, 52, 53, 54 and 55, and Sanctions are detailed from article 56, 57 and 58
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Spanish Law 10/2010 has widened the scope of industries and activities to be monitored. All entities which have a large number of daily transactions are requested to use automated Suspicious Transaction monitoring technology. Article 17 of Law 10/2010 stated that accurate automated systems must be set up but adapted to the specific industry and Money Laundering risk. For these reasons, it was mandatory for industries such as finance, insurance and online gambling to have automated systems.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Law 10/2010 Article 19 details the requirement for injunctive enforcement.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Law 10/2010 Article 31 states the requirements for monitoring activity in branches and subsidiaries registered in other countries.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1994 – this has been amended several times, and was fully replaced in 2008 by the Act no 297/2008 Coll. , effective from 1 September 2008 and last amended in 2009 - http://www.minv.sk/swift_data/source/policia/finpol/297_2008en.pdf
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The key regulator for AML controls is: the Financial analytical department (FAU) of the Police under the Ministry of Interior of the Slovak Republic - http://www.minv.sk/?financna-policia Controls are further regulated by: National Bank of Slovakia –(www.nbs.sk) which is a supervisory authority of the financial market in the Slovak Republic as well as the Ministry of Finance of the Slovak Republic - www.finance.gov.sk Administrative authorities and the Ministry of Finance supervise lotteries and other similar games, and holders of licenses to operate betting games.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes – Guidelines for submitting AML notifications issued by the FAU: http://www.minv.sk/?financna-policia AML Guidelines for financial sector issued by the National Bank of Slovakia. http://www.nbs.sk/sk/dohlad-nad-financnym-trhom/prevenicia-legalizacie-prijmov-z-trestnej-cinnosti-a-financovania-terorizmu/odporucania-a-metodicke-usmernenia
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - National bank issued a guidelines in this respect for the banking sector http://www.nbs.sk/img/Documents/_Dohlad/ORM/BankyAOcp/MU_4_2009_AML_SK.pdf

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last 3 years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - MONEYVAL assessment – September 2011- http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Slovakia_en.asp .

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	<p>Yes - any single transaction below EUR15,000 does not require any customer due diligence unless it is a:</p> <ul style="list-style-type: none">a) suspicious transaction;b) an agreement to enter into a business relationship;c) an agreement to establish an account, to make a deposit into a deposit passbook or a deposit certificate, or to make any other type of deposit;d) an agreement to use a safety deposit box or an agreement on custody;e) transaction with a Politically Exposed Person ('PEP'); andf) as part of the business relationship. <p>Also in the case of life insurance, the customer due diligence is not required if insurance premium payable per year does not exceed EUR1,000 or if payable in lump-sum does not exceed EUR2,500 and in certain situations related to pension scheme agreements (no amount set by law).</p> <p>An ordinary transaction below EUR2,000 does not need customer due diligence .</p>

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The following information is required:</p> <p>Individuals: Name, surname, birth identification number or date of birth, place of birth, gender, address and citizenship. These would normally be verified by an identity card or passport.</p> <p>Individuals who conduct business: In addition to the above, full name of the business, place of business and identification number needs to be noted.</p> <p>Legal entities: the full name, residency/seat, identification (or similar identification received from foreign offices) showing evidence of the company's existence (i.e. certificate of incorporation, trade register statement or other). The same principles for 'Individuals' apply for the identification of individuals in the company's statutory body. If the company's statutory body or the owner is another legal entity, identification documentation must also be collected for that entity.</p>

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	These should be certified by an appropriate person e.g. a notary, local authorities etc. Specific rules apply to credit and financial institutions, where certain employees are authorized to verify these when opening account, concluding contract, etc

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The shareholders of a legal entity (with more than 25% holding and/or voting rights) must be ascertained up to the level of the ultimate beneficiary of the transaction, if there are suspicions. Direct and indirect ownership identification requirements are the same as for the relevant legal entity and/or individual.

Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified due diligence is applicable in the following situations:</p> <ul style="list-style-type: none">a) The client is a credit or financial institution within EU or EEA;b) The client is a listed entity in EU or EEA;c) The client is public authority (specific conditions detailed in the law);d) The client is the state;e) In case of a life insurance contract to be concluded if insurance premium payable per year does not exceed EUR1,000 or if payable in lump-sum does not exceed EUR2,500; andf) in certain situations related to pension scheme agreements, both mandatory and voluntary (no amount set by law).

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence is applicable for: a) a remote financial services agreement; b) a transaction and business relationship with a Politically Exposed Person ('PEP'); and c) a correspondent bank relationship with a foreign credit or similar institution ('Correspondent Institution').

Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	All transactions with PEPs are subject to due diligence including the provision of information and supporting documentation relating to: a) the purpose and intended nature of the transactions or business relationship; b) the beneficial owner, if the client is a legal entity; c) the information required for continuous monitoring of the business relationship; and d) a review of the income source.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Prior to the creation of a correspondent banking relationship, the following is required: a) sufficient information on the relevant correspondent institution and the nature of its operations; b) publicly sourced information to establish the quality of supervision overseeing the correspondent institution; c) an evaluation of measures applied by the correspondent institution against the legitimisation of proceeds of crime and financing terrorism; d) understanding if approval of relevant lead employee to open the corresponding bank relationship was granted, and e) in case of wire transfer, confirmation from the correspondent bank that it has identified the account holder

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In the case of a remote financial services agreement: a) the first payment under this agreement shall be made via an account kept in the customer's name held at a credit institution or a foreign credit institution operating in the EU or EEA; b) the customer shall submit to the entity a copy of a document verifying the existence of this account together with copies of the relevant parts of his identity card and at least one more identification document to validate the customer's identification data of this card i.e. the type, serial number, issuing country or institution and validity.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	To the Financial analytical department (FAU) of the Police, the Ministry of Interior of the Slovak Republic http://www.minv.sk/?financna-policia

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 2,470 SARs GDP (in current prices): 2010 – USD87,268 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD35.3 million of GDP.

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	The suspicious transaction are identified based on various criteria such as unusual transactions, cash transactions above a certain threshold, international wire transfers etc. But no special report is required.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Potential cash penalties up to EUR 332,000 (depending on the seriousness of the breach) or a suspension of business license for conscious non-compliance within a 12- month period.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, however, transaction monitoring should be performed by using adequate means which assumes the use of some automated technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes - in general a transaction that is identified/reported as suspicious can be continued after 48 hours from when it has to be notified to the FAU, unless the FAU requires the transaction to be postponed further and FAU has passed the notification to criminal police (in which case an additional 24hour delay is anticipated by law).
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The Central Bank of the Russian Federation: www.cbr.ru/eng/ Federal Service of Financial Monitoring (the so-called Rosfinmonitoring): http://www.fedsfm.ru/ .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No specific guidance although there have been various amendments to the federal AML law signed in 2001, with the latest amendment dated 08 November 2011.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	http://www.fatf-gafi.org/document/1/0,3746,en_32250379_32236963_40945665_1_1_1_1.00.html (July 2008)

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - an operation in monetary funds or any other assets is subject to compulsory control, if the amount is equal to or exceeds RUB600,000 roubles (approx EUR13,000). Transactions with immovable assets shall be subject to compulsory control if the amount is equal to or exceeds RUB3 million, or equivalent in foreign currency (approx EUR66,000).

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: name, citizenship, personal identity document details, migration card data, document confirming the foreign citizen's or person's right to stay in Russia, residential (registration) address and taxpayer identification number (if any). Corporates: name, taxpayer identification number or code of the foreign organisation, state registration number and place of state registration.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of documents provided should be certified by an appropriate person, for example a Notary Public.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Organisations shall take substantiated measures to establish and identify beneficiaries, and on a regular basis update information on clients and beneficiaries.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Simplified due diligence includes the following: natural persons may be identified on the basis of the document certifying identity. There are some specific requirements that include that the operation is not of a complex or unusual nature.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Local regulations state that increased risk operations include: operations with residents of states mentioned in local guidance, operations with international Politically Exposed Persons ('PEPs') (and their close relatives), closure of transactions in real estate, performance of banking operations and closure of other transactions with the use of internet technologies and operations with residents of states which do not comply with generally accepted standards as identified through international sources.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Local regulations state that international PEPs (and their close relatives) are subject to additional controls.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Local regulations state that for the establishment of correspondent relations with non-resident banks, the institution shall request information including full name, address, licence information, information about the presence or absence at its location of the legal entity etc. The decision on the establishment of such relations shall be adopted with the consent of the head of the institution or of the institution's employee as authorised to do so.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Central Bank of the Russian Federation: http://www.cbr.ru/ .

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold. international wire transfers. other transactions etc.?
A20.	Companies are obliged to: a) verify the sources of each transaction over RUB600,000 (about USD20,000) and if considered suspicious to report those transactions to the authorities; or b) report to the authorities any transaction in which the receiver or sender is located in a country which does not have AML legislation and which does not cooperate with other countries in the area of AML
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, but the amount and action (e.g., withdrawal of a licence) depends on the specific case.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2002. Law no. 656/2002 with its subsequent amendments, together with Guidance Notes issued through the Government Decision No 496/2006 set out the local regulatory framework for the prevention and sanctioning of money laundering, as well as for establishing measures for the prevention of and fight against financing terrorist acts, with subsequent amendments in 2006, 2007, 2008, 2009, 2010 and 2011.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	(a) The National Office for Prevention and Control of Money Laundering (www.onpcsb.ro); (b) The National Office for Prevention and Control of Money Laundering and other specific institutions in their respective field of activity – National Bank of Romania (www.bnr.ro), National Insurance Commission (www.csa-isc.ro), National Securities Commission (www.cnvmr.ro) and the Private Pension System Supervisory Commission (www.csspp.ro); (c) The National Office for Prevention and Control of Money Laundering.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The National Office for Prevention and Control of Money Laundering organizes at least once a year training seminars regarding prevention of money laundering and of financing of terrorist acts.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - the 2008 amendments established the standard, simplified and enhanced customer due diligence rules and procedures.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	MONEYVAL(2008) – http://www.coe.int/t/dghl/monitoring/moneyval/evaluations/round3/MONEYVAL(2008)06Rep-ROM3_en.pdf

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - transactions below EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The following information is required:</p> <p>Individuals: need to provide the following details;</p> <ul style="list-style-type: none">a) name;b) surname;c) citizenship; andd) date of birth. <p>These details are normally verified by an identity card or passport.</p> <p>Legal entities: need to provide the following details;</p> <ul style="list-style-type: none">a) name;b) identification; andc) names and dates of birth of individual members of the statutory bodies (such as board of directors) or administrators. <p>This is normally verified by an official extract from The National Trade Registry Office which proves existence of the entity. This applies to customers and real beneficiaries as well.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of provided documents can be certified by a notary public.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Beneficial owners are subject to the following requirements:</p> <ul style="list-style-type: none">a) identification of beneficial owners and the verification of their identity by taking risk-based and adequate measures;b) gathering of information on the purpose and nature of the established business relationship; andc) conducting continual monitoring of the business relationship with the respective customer.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified due diligence arrangements apply to:</p> <ul style="list-style-type: none">a) domestic public authorities;b) life insurance under the conditions mentioned in the law and subscription to pension funds;c) electronic currency as defined by the regulations;d) a credit or financial institution from an European Union ('EU') member state or from the European Economic Area ('EEA'), or a credit or financial institution from a non-EU state or from a state outside the EEA that imposes similar anti-money laundering and fight against terrorist financing requirements and supervision; ande) transactions and products that are low risk in respect to money laundering and financing of terrorist acts.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>Enhanced due diligence measures are required in the following cases:</p> <ul style="list-style-type: none">a) non face-to-face transactions;b) in the case of correspondent relationships with credit granting institutions from non-EU countries and those countries that are not part of the EEA;c) transactions or business relationships with politically exposed persons who are resident in another EU member state or in the EEA, or in non-EU countries or countries outside the EEA; andd) in any other cases where it is considered that due to their nature a high risk in respect of money laundering and financing of terrorist acts is present.

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Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence is required for transactions or business relationships with PEPs who are resident in another EU member state or in the EEA, or in non-EU countries or countries outside the EEA.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Enhanced due diligence must be performed for cross-border correspondent banking relationships with credit institutions in third countries.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - the law specifies that credit institutions will not enter into correspondent relationships with a fictitious bank or with a credit institution where it is known that it allows a fictitious bank to use its accounts.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Additional due diligence is required for all non face-to-face transactions.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The National Office for Prevention and Control of Money Laundering: http://www.onpcsb.ro/html/english.php
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARS is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Transactions in cash over EUR15,000 must be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Non-compliance is considered a misdemeanour and certain sanctions may be applied for non compliance, ranging from fines to the closure the entity breaching its obligation to report.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	There are regulatory requirements, applicable only to banks and other financial institutions.

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Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Local persons who are obliged to report suspicious transactions may rely upon the KYC checks made by 'third parties' (banks and financial institutions) from other Member States or from third countries applying KYC rules similar equivalent to Romania there in.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (amended 2004 and 2008).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	For: a) Banking and other financial services: Banco de Portugal, Comissão do Mercado de Valores Mobiliários (CMVM) and Instituto Seguros de Portugal (ISP); b) Non financial sector: Serviço de Inspeção de Jogos do Turismo de Portugal, Instituto da Construção e do Imobiliário, Autoridade de Segurança Alimentar e Económica, Ordem dos Revisores Oficiais de Contas, Câmara dos Técnicos Oficiais de Contas, Instituto dos Registos e do Notariado, Ordem dos Advogados and Câmara dos Solicitadores. Link to regulators websites Banco de Portugal – http://www.bportugal.pt/en-US/Pages/inicio.aspx CMVM – http://www.cmvm.pt/en/Pages/default.aspx ISP - http://www.isp.pt/NR/exeres/97C24D91-5FD7-4874-9D7D-FFE049D206D9.htm
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - however, entities should retrospectively review documentation to identify customers, based on materiality and risk criteria, namely the characteristics of the account, the customer and the business relationship with the customer, in order to identify accounts that need an immediate update.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - Law n°25/2008, which transposes the Third Directive, provides that in compliance with identification and diligence duties, financial institutions can adapt the nature and scope of the verification and diligence procedures, taking into account the risk associated with the type of customer, the business relationship, the product, the transaction and the origin or the purpose of the funds.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The last IMF Country Report was published in September 2011. The report is the country's first review under the three-year arrangement under the extended fund facility. The report's link is http://www.imf.org/external/pubs/cat/longres.aspx?sk=25229.0 . The country page (Portugal and IMF) is http://www.imf.org/external/country/prt/index.htm . There are no updated FATF's mutual evaluations.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions (single or linked) under EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: should provide a valid document with: full name, photograph, tax identification number, address, profession and work place (when applicable), politically exposed job/function, birth date and nationality. Corporates: should provide a valid document with the headquarters address, identification number (should be made through the card named Cartão de Identificação de Pessoa Colectiva), shareholder identification if more than 25% of the voting rights, and board of directors identification. For non-resident entities, equivalent documentation is required.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	The copies of documentation can be certified by external third parties such as notaries.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Management Board and shareholder identification must occur if more than 25% of the voting rights are held. Identification and verification requirements for beneficial owners are the same as those for individuals or companies listed above.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Financial entities shall not be subject to the identification requirement where the customer is a financial entity set up in a European Union Member State or in a third country which imposes equivalent requirements in respect of money laundering and terrorist financing prevention and: a) the customer is a listed company in a regulated market; or b) the customer is the State or a Public Sector Company or Governmental Institute.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Entities should apply enhanced due diligence measures, in respect of customers and transactions which by their nature or characteristics can present a higher risk of money laundering or terrorist financing. This includes operations carried out with Politically Exposed Persons ('PEPs') residing outside the national territory, correspondent banking operations with credit institutions established in third countries and any others designated by the competent supervisory or monitoring authorities.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	A non-resident PEP relationship requires additional due diligence. When establishing a relationship with a non-resident PEP, entities should have appropriate risk-based procedures to determine whether the customer is a PEP; have senior management approval for establishing business relationships with such customers; take adequate measures to establish the source of wealth and the source of funds that are involved in the business relationship or occasional transaction and conduct enhanced ongoing monitoring of the business relationship.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	When establishing a relationship through correspondence with third country banks, this relationship must be approved by the senior management. In addition, the financial institution should guarantee that customer identification was verified and the due diligence was performed.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Non face-to-face relationships (especially those that can favour anonymity) require additional due diligence. In these cases, the institution should request additional documentation and ensure the first transaction is made through an account opened with the same customer name.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Policia Judiciaria - http://www.pj.pt/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001 - although major changes to this legislation became effective in the first half of 2010, as a response to the requirement to implement the Third European Union ('EU') Directive in Poland. The status described below reflects the provisions of the new regulation.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	As noted above, major changes follow those amendments implemented in the Third EU Directive. Amongst other considerations, prior regulation did not require the identification of ultimate beneficial owners, development of the risk rating model or identification of Politically Exposed Persons ('PEPs').
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	All financial institutions are regulated by the General Inspector of Financial Information (Generalny Inspektor Informacji Finansowej) located in the Ministry of Finance. http://www.mf.gov.pl/index.php?const=7#n Additionally Polish Financial Supervision Authority (KNF) performs reviews of the adequacy of AML procedures. www.knf.gov.pl
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The Polish Banking Association (ZBP) developed guidance concerning AML practices. The Regulator provides limited guidelines concerning AML procedures which are published on the regulator's website (see above)
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes -the Mutual Evaluation was conducted by MONEYVAL [http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Poland_en.asp]

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - in limited circumstances customer due diligence is not required, e.g. for life insurance below the threshold of EUR1,000 per year (or EUR2,500 in case of a one off payment). Lower thresholds allowed in relation to electronic payments (EUR150 for regular premiums and EUR2,500 for single premiums).
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: determining and noting the distinguishing features of a document confirming the person's identity pursuant to separate regulations, or of a passport, as well as the first name, last name, the citizenship and address of the person executing the transaction, and furthermore the PESEL (national citizens' registry) number in the case of the identification on the basis of identity card or country code in the case of the passport. Legal entities: up-to date information from a court registry extract or other document specifying it's name the organisational form of the legal entity, its location, address and information from a valid document confirming the authority of the person executing the transaction to represent the legal entity.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Not stated in local regulations or guidance regarding external third party certification. Certification of copies of identification documents may be made by a state authority, a notary public or a lawyer.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Local guidance requires verification of the identity of appropriate beneficial owners holding 25% or more. Where a principal owner is another corporate entity or trust, the firm should take measures to establish the identities of its beneficial owners or trustees, unless that company is publicly traded. The firm will then judge which of the beneficial owners exercise effective control, and whose identities should therefore be verified.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Simplified due diligence arrangements may be applied for: a) other financial services firms which are subject to the Money Laundering Regulations or equivalent, and which are regulated in Poland by KNF (which is the Polish Financial Supervision Authority), or in the EU or a comparable jurisdiction by an equivalent regulator; b) central / local government entities; and c) companies listed on regulated markets.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence is required for: a) a company engaged in activities that are assessed to carry a higher money laundering risk; b) Politically Exposed Persons ('PEPs'); c) the establishment of a non-face-to-face business relationship; and d) a financial institution operating in jurisdictions where AML law is assessed as inadequate.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Local guidance states that a PEP status puts a customer into the higher risk category. This implies enhanced due diligence is required for every PEP.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Regulation requires that enhanced due diligence should involve further consideration of the following elements, designed to ensure that the bank has secured a greater level of understanding with corresponding banks overseas (other than those based in the EU or other states with equivalent AML regulations): a) ownership, management and supervision information; b) AML/Terrorist Financing controls adopted; and c) senior management approval before entering into the relationship

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Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Establishment of a non face-to-face business relationship specifically requires additional due diligence. As a minimum, one of the following actions is required: a) verification of the customer's identity against additional documents; b) certification of copies of identification documents by an appropriate authority; or c) confirmation that the customer's initial transaction was made through a financial institution.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	General Inspector of Financial Information http://www.mf.gov.pl/index.php?const=7#n

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 1,997 (General Inspector of Financial Information) GDP (in current prices): 2010 – USD469,440 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD235.1 million of GDP.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, All transactions above the threshold of EUR15 000 (incl. related transactions with the aggregated amount above the threshold) should be reported.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Transactions below EUR15 000 do not need to be reported unless they are classified as suspicious.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	The Polish Anti-money laundering act outlines fines or imprisonment for non compliance with reporting requirements.

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No

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Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Suspicious transactions reported to the regulator should be suspended for 24 hours. If the regulator does not request further suspension of a transaction, it can be processed. Based on the regulator's request a transaction can be suspended or account blocked for further 72 hours. A prosecutor can suspend a transaction or block an account for up to 3 months.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	The Polish Act on Counteracting of Money Laundering and Financing the Terrorism (the "Act") provides that, as a rule, it is the Polish General Inspector of the Financial Information that is officially authorised to monitor the transactions. However, bearing in mind that the Act implements the EU regulations (that should have been implemented by all Member States), it is likely that a transaction may be subject to monitoring outside Poland, on the basis stipulated by the local law of the foreign party of the transaction, especially in cases where a given transaction is performed with or via a foreign entity.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2009 (15 April 2009). A new Circular No. 8/2009 was published by the Financial Supervisory Authority of Norway on 23 June 2009.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Customer identification and verification of authentication.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	For a) and b): Finanstilsynet (The Financial Supervisory Authority of Norway) - http://www.finanstilsynet.no/en
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes, guidance by The Financial Supervisory Authority of Norway – Circular no 8/2009 - http://www.finanstilsynet.no/no/Artikkelarkiv/Rundskriv/2009/2-kvartal/Veiledning-til-ny-lov-og-forskrift-med-tiltak-mot-hvitvasking-og-terrorfinansierin
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - risk based customer due diligence and monitoring customer relationships on an ongoing basis.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes, latest report was 26 February, 2009 - http://www.fatf-gafi.org/dataoecd/9/52/43209579.pdf .

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: a natural person's identity is normally verified by producing a document issued by a public authority, which normally contains full name, signature, photograph and personal identity number or D-number (non-residents liable to pay tax are registered with a unique D-number). Examples of suitable documents include a passport, bank card and driving licence. Corporates: a legal person's identity is verified by Certificate of Registration/Certificate of Incorporation from the Public Register.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Normally, the establishment of non-face-to-face business relationships is not allowed and the customer must physically appear either at the reporting financial institution or at an agent or outsource company, where identification and verification is performed. Copies can be certified in exceptional circumstances and must be verified by authorised persons, including postal employees, the police and lawyers.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The Money Laundering Act (MLA) requires financial institutions to verify the identity of beneficial owners on the basis of reasonable measures. The MLA defines 'beneficial owners' generally as the 'natural persons who ultimately own or control the customer and/or on whose behalf a transaction or activity is being carried out'. The definition is then further elaborated to describe five situations where a person 'in all cases' is to be regarded as a beneficial owner.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Norway has introduced simplified customer due diligence procedures. If a customer or transaction falls into specific cases, simplified customer due diligence will apply, such as: a) financial undertakings listed in the Money Laundering Regulations; b) a financial institution in the European Union ('EU') and European Economic Area ('EEA'), and their correspondent financial institutions, which are compliant with the relevant FATF Recommendations; c) a financial institution listed or regulated in an EEA state or a financial institution subject to disclosure requirements consistent with those that apply to listing on a regulated market in an EEA state; and d) a Norwegian state or municipal administrative body.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	The MLA requires financial institutions to apply 'other customer due diligence measures', in addition to the basic customer due diligence measures stipulated in the MLA in the following cases: a) situations that by their nature involve a 'high risk of transactions associated with proceeds of crime' or certain designated offences listed in the Criminal Code (including terrorist financing and terrorism offences); b) business relationships and transactions with Politically Exposed Persons ('PEPs'); and c) correspondent banking relationships.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Reporting entities are required to conduct 'appropriate customer due diligence measures' to verify whether the customers are PEPs. Such measures include: a) obtaining approval from senior management before establishing a customer relationship; b) taking appropriate measures to ascertain the origin of the customer's assets and of capital involved in the customer relationship or the transaction; and c) carrying out enhanced ongoing monitoring of the relationship.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	When establishing cross-border correspondent banking relationships with institutions outside the EEA area, institutions are required to: a) gather sufficient information concerning the correspondent institution to fully understand the nature of its activities and, on the basis of publicly available information, to determine the reputation of the institution and the quality of supervision; b) assess the institution's control measures; c) ensure that the decision maker obtains approval from senior management before establishing a new correspondent relationship; d) document the respective responsibilities; and e) ascertain that the correspondent institution conducts ongoing monitoring of customers.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The former requirement of face-to-face relationships is replaced by the implementation of risk based customer due diligence and ongoing monitoring of customer relationships.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	To ØKOKRIM; The National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway http://www.okokrim.no/artikler/in-english

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 6,660 GDP (in current prices): 2010 – USD412,990 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD62.0 million of GDP.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	International wire transfers, foreign exchange and foreign credit and debit card transactions are reported to the: Foreign Exchange, Foreign Currency Register with the Norwegian Directorate of Customs and Excise

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, breaches of the Money Laundering Act can be punished with fines or imprisonment for up to 1 year when special aggravating circumstances exists.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes, financial institutions have an obligation according to the Money Laundering Act to use electronic suspicious transaction monitoring systems.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes, as the principal rule, suspicious transactions shall not be proceeded before a report is made to the FIU (ØKOKRIM). ØKOKRIM can decide that the actual transaction shall not be effected.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Not mentioned in the regulations.

[†] GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (amended 2003). Revised legislation as per July 2008.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	a) De Nederlandsche Bank (DNB): www.dnb.nl b) DNB and Autoriteit Financiële Markten (AFM): www.afm.nl c) DNB, tax authorities (www.belastingdienst.nl) and Bureau Financieel Toezicht (BFT): www.bureauft.nl
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	a) www.dnb.nl b) www.afm.nl c) www.belastingdienst.nl ; www.bureauft.nl
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The latest report from the FATF is dated February 2011: http://www.fatf-gafi.org/dataoecd/3/59/47221499.pdf

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – Customer Due Diligence is not required for cash transactions under EUR15,000 for institutions overseen by the tax authorities or in the case of incidental relationships, for institutions overseen by the BFT.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals can be identified by passport or other identification document. Companies have to be identified by extracts from the Chamber of Commerce or by notary deed. Copies have to be made and archived in files. There are no additional requirements stated in local regulations or guidance, except for companies or clients outside the Netherlands.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Notary deeds are required for companies and persons abroad, except for US and UK citizens.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Ultimate Beneficial Owners need to be identified for legal entities - their identity needs to be verified based on independent, reliable documents. Both identification and verification can be performed in a risk-based manner.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Based on the risk profile of the client, products, services and client-product combination.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Based on the risk profile of the client, products, services and client-product combination.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	For PEPs resident in other states.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Enhanced due diligence is required for all correspondent banking relationships outside the EU, whereby a number of factors need to be taken into account including, but not limited to: (a) gather sufficient information to obtain a full picture of the nature of the bank's activities; (b) evaluate reputation of bank and quality of oversight based on publically available information; and/or (c) evaluate procedures and measures to prevent money laundering and terrorist financing.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	It is forbidden to enter into a correspondent banking relationship with a shell bank. In addition it is not allowed to enter into or continue a correspondent banking relationship with a credit institution that allows shell banks to use their accounts.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Identification in person is not obligatory in all circumstances. In summary, payment of the services has to be done from a bank account. There are no additional requirements in local regulations or guidance. If identification cannot be done face-to-face this is regarded a high risk, which needs to be adequately mitigated.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Intelligence Unit-Nederland: www.fiu-nederland.nl

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 183,395 SARs</p> <p>GDP (in current prices): 2010 – USD779,356 million (Source: data.worldbank.org¹)</p> <p>This results in a ratio of 1 SAR for every USD4.2 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Both objective and subjective indicators are applicable which do not only cover suspicious transactions.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	There are several different thresholds in place for a variety of objective indicators. There is no threshold for subjective indicators.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	There are penalties for non-compliance with the legal requirements.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Monitoring of the business relationship needs to be performed by the institution itself.

¹ GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (amended 2004, 2008 and 2010).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The Law effective 27 October 2010 comes as a consequence of the recommendations made by the FATF in early 2010. This Law reinforces and clarifies the previous legislation.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The regulators for AML are as follows: For SARs: the Financial Intelligence Unit ("FIU") of the Luxembourg Public Prosecutors. For the supervision of particular industries: a) Banking : CSSF(Commission de Surveillance du Secteur Financier) http://www.cssf.lu/en/ b) Other financial services: CSSF http://www.cssf.lu/en/ c) Non financial sector: lawyers (barrister of the Bar)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	No However a practical guide for the funds industry is in discussion and should be published in 2012 on the ALFI website (Association of the Luxembourg Fund industry) (http://www.alfi.lu/).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.fatf-gafi.org/document/13/0,3343,en_32250379_32236963_44655565_1_1_1_1,00.html

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – one-off transactions (single or linked) under EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: A copy (or certified true copy in the case of non face-to-face business) of an official identification document, for example a passport or identity card. Documents need to be reliable and might be provided by the customer but not produced by himself ('independent source'). If no copy is kept, the professional has to state in the account opening form: surname, first name, date of birth, address, profession and identification document number. The account opening form has to be dated and signed by the customer.</p> <p>Corporates: Articles of Association (or equivalent), extract of the Commercial Register (or equivalent), business authorisation if the entity manages funds of third parties, identification of the beneficial owners holding over 25% and of the persons with authorised signatures.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	If non face-to-face business is conducted, the copy should be certified as true by a competent authority, for example a consulate, embassy, police station or notary. By law, the customer information needs to be based on documents or data coming from reliable and independent sources.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	There is an obligation in the law to verify the identity of beneficial owners. Those who hold 25% or more of a corporate entity have to be identified. Where a principal owner is another corporate entity or trust, the firm should take measures to look behind that company or trust and establish the identities of its beneficial owners or trustees, unless that company is publicly quoted. The firm will then judge which of the beneficial owners exercise effective control, and whose identities should therefore be verified.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Simplified due diligence arrangements are listed in Article 3-1 of the Luxembourg AML Law. Examples of simplified due diligence arrangements include: <ul style="list-style-type: none">a) where the customer is a credit or financial institution subject to equivalent AML regulations and which is supervised;b) on certain conditions, pooled accounts held by notaries and other legal independent professionals;c) where the customer is a Luxembourg public authority;d) insurance policies for pension schemes if there is no surrender clause and the policy cannot be used as collateral;e) pension schemes that provide retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the transfer of rights; andf) where the customer is a listed company whose securities are admitted to trading on a regulated market within the meaning of Article 1-11 of the law of 13 July 2007 in one or more European Union ('EU') Member States or a listed company in a third country subject to disclosure requirements consistent with EU legislation.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required in situations which by nature present a higher risk of money laundering or terrorist financing and at least in the cases listed in Article 3-2 of the Luxembourg AML Law (for example non face-to-face business, foreign Politically Exposed Persons ('PEPs') and cross-frontier correspondent banking relationships with respondent institutions from non EU countries).
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Enhanced customer due diligence measures are required for foreign PEPs, including the implementation of an appropriate risk-based procedure to detect such foreign PEPs, involving the senior management in the customer's acceptance, ascertaining the source of wealth/income and ensuring an enhanced ongoing monitoring of the relationship.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	For correspondent banking relationships, the professionals have to: a) gather sufficient information about the respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision; b) assess the respondent institution's AML and CTF controls; c) obtain approval from senior management before establishing new correspondent banking relationships; d) document the respective responsibilities of each institution; and e) with respect to payable-through accounts, be satisfied that the respondent credit institution has checked the identity of and performed ongoing due diligence on the customers having direct access to the accounts of the correspondent and that it is able to provide relevant customer due diligence data to the correspondent institution upon request.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - it is prohibited to enter into, or continue a correspondent banking relationship with a shell bank or with a bank that is known to permit its accounts to be used by a shell bank.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Enhanced customer due diligence measures are required for non face-to-face businesses. These include : a) obtaining additional documents, data or information that ensures adequate identification of customers; or b) performing additional measures to verify or certify the identification documents (for example, copies of identification documents certified true by a credit or financial institution or by a competent authority); or c) first payment to be drawn on an account opened in the customer's name with a credit institution.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Financial Intelligence Unit ("FIU") of the Luxembourg Public Prosecutors (http://www.justice.public.lu/fr/actualites/2010/09/rapport-activite-crf/index.html).

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 4,866 SARs GDP (in current prices): 2010 – USD53,334 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD11 million of GDP.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No -all suspicious transactions, regardless of the amount, have to be reported.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Offenders who knowingly violate AML/CTF legislation could face a fine up to EUR1.25 million and those guilty of professional negligence could face administrative and disciplinary sanctions.

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Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	There is no legal or regulatory obligation to use automated Suspicious Transaction monitoring technology. However, it is highly recommended by the authorities to implement such a tool (CSSF circular 08/387).
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Professionals must refrain from carrying out a transaction which they know or suspect to be related to money laundering or terrorist financing before having informed the FIU. The FIU can give instructions not to execute one or more operations relating to the transaction or the customer. Where a transaction is suspected of giving rise to money laundering or terrorist financing and where to refrain in such manner is impossible or is likely to frustrate efforts to pursue the beneficiaries of a suspected money laundering or terrorist financing operation, the professionals concerned shall submit the necessary information immediately afterwards.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	In practice, because of professional confidentiality the monitoring of transactions is not performed outside the jurisdiction. However, credit institutions and professionals of the financial sector forming part of a financial group shall guarantee to the group's internal control bodies, where necessary, access to information concerning specific business relations, to the extent that this is needed for the global management of legal risks and risks to their reputation in connection with money laundering or the financing of terrorism within the meaning of the laws of Luxembourg.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The Proceeds of Crime (Jersey) Law was issued in 1999. It is supplemented by the Money Laundering (Jersey) Order 2008 and the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The Order and the Handbook issued in February 2008 updated existing subordinate legislation and detailed guidance which supported the 1999 law.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Jersey Financial Services Commission (www.jerseyfsc.org)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes – the AML Handbook has specific guidance for industries on the application of AML requirements. For example the AML Handbook for the accountancy sector.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - however, businesses are required to apply customer due diligences measures to existing customers at appropriate times.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - the Handbook was issued and effective on 4 February 2008 for regulated financial services businesses. The answers below are taken from that guidance. On 19 February 2008, customer due diligence requirements were extended to lawyers, accountants, estate agents and others.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes – 2008 IMF assessment. Available publically on JFSC website.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions (single or linked) under EUR15,000.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: name, address and date of birth. No specific documents are mandatory, but local issued guidance dictates that evidence of identity should be obtained from documents issued by reputable sources. Separate verification of address is also required.</p> <p>Legal Entities: Minimum evidence expected is one of:</p> <ol style="list-style-type: none"> original or certified copy of the certificate of incorporation and memorandum and Articles of Association; company registry search; latest audited financial statements; independent data sources, including electronic sources; and personal visit to principle place of business. <p>In circumstances where information is not already publically available/held, minimum requirements are to verify the identity of directors or similar persons who have authority to operate a relationship or give instructions concerning the use/transfer of assets. Verification of other directors and beneficial owners should also be considered depending on the risk profile.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Where non face-to-face identification and verification is carried out, a certified copy of the identification documentation is required (by a Notary Public or other qualified professional able to legally certify documents).
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Beneficial owners and controllers must be identified including at a minimum, those holding 25% or more interest in the capital of the entity extending to those with a material interest depending on the risk profile. Reasonable measures must also be taken to obtain verification documentation depending upon the risk profile of the entity.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced and simplified arrangements are available for identification and verification procedures of institutions in equivalent jurisdictions and publically traded companies. There is also some scope for reliance to be placed on procedures already conducted by intermediary regulated institutions.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced measures are required for those potential clients deemed to be of higher risk. This might take into account factors such as Politically Exposed Persons ('PEPs') risk, client not physically present for identification purposes, correspondent banking relationships, jurisdictional risk and types of activity.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence, enhanced scrutiny and monitoring is required on all accounts that have links with PEPs but particularly those with links to countries that are vulnerable to corruption.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Statutory requirements specifically identify correspondent banking relationships as a trigger for enhanced measures. Specific measures suggested by the guidance include obtaining further identification information, commissioning due diligence reports from independent experts and requiring higher levels of management approval for new clients.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - the Money Laundering (Jersey) Order 2008 contains prohibitions on relationships with shell banks.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Additional measures are required for relationships established or transactions conducted remotely, or where the identity of an individual is to be verified using documentary evidence when the individual is not physically present. Issued guidance suggests that certified copies of verification documents such as passports should be obtained which have been certified by a 'suitable certifier'.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Jersey Financial Crimes Unit (www.jersey.police.uk/FinancialCrime)

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 1,747 SARs GDP data is only available for the Channel Islands as a whole.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Whilst there is no specific legal requirement, there is guidance for specific industries (for example, high value goods dealers) on unusual transactions, cash transactions, wire transfers etc. This is part of the AML handbook.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes – There are penalties for "Failure to report", "Assisting" and "Tipping Off".

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes – authorisation is required to proceed if transactions are identified as suspicious.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Not currently.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1991 (amended 2004, 2006, 2007, 2009 and 2010)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Financial Intelligence Unit (i.e. Unità di informazione finanziaria) http://www.bancaditalia.it/UJF
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes- guidelines for Organization and Internal Controls for AML purposes and awaiting the Guidelines for KYC Rules for Banking and Financial sector.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - banks, financial institutions, non-financial businesses and professionals have to verify the identity of customers in the case of transactions, a new relationship or as soon as they come into contact with the customer.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	The Italian system provides strict and detailed provisions on anti-money laundering and terrorist financing requirements. In general, it is possible to assign these obligations on the basis of risk (the risk based approach became effective in December 2007).
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No - the last assessment was performed in 2006.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR15,000 (other than where there are two or more such transactions which the firm believes are linked and which together would amount to EUR15,000 or more).
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Any person who:</p> <ul style="list-style-type: none">a) opens, changes or closes a current, savings or deposit account or has another 'continuing relationship'; orb) carries out a single transaction, or several transactions which appear to be linked, involving the transmission, handling or the transfer of means of payment or bearer instruments in an amount of EUR15,000 or more; must be identified and must indicate in writing the full details of the person, if any, on whose behalf the transaction is carried out. Identification must take place each time a transaction is executed. <p>Individuals – evidence of identity should be obtained such as name, address, date and place of birth, tax code and a government issued document e.g. an identity card, passport or driving licence.</p> <p>Corporates – evidence of identity of the firm, as well as the identity of the person physically present at the transaction, should be obtained such as the company name, registrar office, tax code and evidence of the identity of the beneficial owner.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Financial institutions, designated non-financial businesses and professionals cannot rely on a copy of an identification document. An exception is provided for copies validated by public officers.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Joint stock companies are required to publish lists of their shareholders and lists of persons who hold rights on securities. This information is available to the authorities and to the public upon request (including online). In Italy, it is compulsory to provide all information regarding beneficial ownership of transactions/relationships.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Other than for telephone and internet banking, there are specific provisions allowing for simplified due diligence. Customer due diligence is not required in the following cases:</p> <ul style="list-style-type: none">a) transactions and account relationships between financial institutions;b) the transfer of funds within the state treasury and payments arranged by the public administration, through the State Treasury, with the exception of payment operations linked to the national debt;c) the accounts, deposits and other continuing relationships between provincial sectors of State treasuries, the Bank of Italy and the Financial Intelligence Unit (FIU); andd) account relationships and transactions between banks, other licensed intermediaries that have their head office or branch in Italy and banks or branches located abroad. This exemption applies regardless of whether the countries in which the banks/branches are located, effectively implement the FATF Recommendations.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	There are specific provisions requiring enhanced due diligence for higher risk categories of customers, operations or transactions such as financial products distributed via the internet, companies incorporated in a tax haven or a country listed on the OSCE ('Organisation for Security and Co-operation in Europe') grey list.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The FIU has performed specific analysis on the money laundering aspect of foreign Politically Exposed Persons ('PEPs') including a study of aggregate financial flows to offshore institutions. When significant anomalies are identified, the FIU has the authority to request detailed individual transaction information for analytical purposes from an institution's database (AUI), and has done so.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	For correspondent banking relationships, banks, financial and non financial institutions as well as professionals have to perform an enhanced due diligence and acquire information as provided by the public register. In addition, where possible, they must evaluate the internal control system of their correspondent bank and can only start the business relationship with the authorisation and responsibility of top management.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - there are specific provisions that prohibit financial institutions from entering into or continuing correspondent banking relationships with shell banks. Moreover, there are specific provisions that prohibit financial institutions from establishing relations with respondent foreign financial institutions that permit their accounts to be used by shell banks.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The 'Decalogo' of the Bank of Italy requires financial intermediaries to adopt special precautions for transactions relating to telephone or electronic accounts, and to take steps to ensure adequate knowledge of the customer and his business in cases of relationships with customers in non face-to-face situations.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The SAR must be reported to the Financial Intelligence Unit (i.e. Unità d'Informazione Finanziaria - UIF), which is a special agency of the Banking Supervisory Authority (Banca d'Italia).

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2011 – 19,000 SARs. GDP data is not available for this specific period.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There is an obligation to report all financial transactions above EUR 3,000 made by credit card or e-payment, but this is not specifically for AML purposes - this type of report is made to the tax agency (Agenzia delle Entrate).

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	See answer to Q20 above.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes. There is a penal sanction for tipping off.

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Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes - legal and regulatory requirements require automated STR (suspicious transaction reporting) technology but only for e-banking and home banking transactions.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes - it is a legal requirement under D. Lgs. 231/07 (Executive Order issued to implement the 2005/60 Directive).
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The Proceeds of Crime Act 2008 became fully effective in 2009. In 2011, the Anti-Terrorism and Crime (Amendment) Act 2011 was introduced. The acts are supplemented by the Proceeds of Crime (Money Laundering) Code 2010, and the Prevention of Terrorist Financing Code 2011 for entities regulated by the Financial Supervision Commission, the Insurance (Anti-Money Laundering) Regulations 2008 for entities regulated by the Insurance and Pensions Authority, and the Proceeds of Crime (Money Laundering – Online Gambling) Code 2010 and Prevention of Terrorist Financing (Online Gambling) Code 2011 for e-gaming entities regulated by the Gambling Supervision Commission.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The previous regime was similar (introduced in 1998). An update in 2008 effectively introduced the requirements of the European Union ('EU') Third Money Laundering Directive and the 2010 update brought regulations into line with the Proceeds of Crime Act 2008.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The Financial Supervision Commission "FSC" is the regulator for banks, investment businesses, fiduciary service providers, collective investment schemes, e-money providers and money transmission services (http://www.gov.im/fsc/). The insurance and pensions sector is regulated by the Insurance and Pensions Authority "IPA" (http://www.gov.im/ipa/). The gaming industry is regulated by the Gambling Supervision Commission "GSC" (http://www.gov.im/gambling/).
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The FSC provides guidance in the form of the Anti-Money Laundering and Countering the Financing of Terrorism Handbook (http://www.gov.im/fsc/handbooks/guides/AML/). The IPA provides guidance on money laundering and terrorist financing in the Guidance Notes on Anti-Money Laundering and Preventing the Financing of Terrorism – for Insurers (http://www.gov.im/ipa/insurance/regulations/insurancemoneylaundering.xml). Guidance Notes on the Prevention of Money Laundering and Countering of Terrorist Financing are provided by the GSC covering the online gambling industry (http://www.gov.im/gambling/licensing/).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Customer due diligence requirements apply to existing and continuing business only when a 'trigger event' has occurred as per paragraph 7 of the Proceeds of Crime (Money Laundering) Code 2010.

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Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes – this has been effective from 2008.

Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The IMF last carried out a visit in 2009 (http://www.gov.im/lib/docs/fsc/detailedassessmentofobservanceof.pdf).

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	There is no requirement to verify the identity of the customers if the transaction qualifies as an "exempted one-off transaction", defined as a single transaction or a series of linked transactions which has an (aggregate) value of less than: <ul style="list-style-type: none">a) EUR3,000 for holders of Casino licences and bookmakers (but excluding e-gaming businesses);b) EUR1,000 for bureaux de change, money transmission services or cheque encashment facilities; orc) EUR15,000 in all other cases.

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: The elements of identity which must be verified comprise: <ul style="list-style-type: none">a) for all customers, their name and date of birth and permanent residential address; andb) for standard and higher risk customers, their nationality, place of birth, gender and official identification number. Legal Entities: For all companies that are not listed on a recognised stock exchange (or their wholly owned subsidiaries), the elements of identity which must be verified comprise: <ul style="list-style-type: none">a) name;b) official identification number;c) date and country of incorporation;d) registered office address of the legal person; ande) address of the principal place of business where this is different to the registered office.

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Suitable persons to certify verification of identity documents include: <ul style="list-style-type: none">a) a member of the judiciary, a senior civil servant, or a serving police or customs officer;b) an officer of an embassy, consulate or high commission of the country of issue of documentary verification of identity;c) a lawyer or notary public who is a member of a recognised professional body;d) an actuary who is a member of a recognised professional body;e) an accountant who is a member of a recognised professional body;f) a company secretary who is a member of a recognised professional body;g) a director, company secretary or manager of a business regulated on the Isle of Man or an external regulated business as defined in the Code.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	In all cases, it is a requirement to identify underlying principals and/or beneficial owners at the outset of the business relationship, irrespective of the geographical origin of the client, or of any introducer or fiduciary.

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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>There are no simplified due diligence provisions in the Code.</p> <p>If a customer qualifies as an "Acceptable Applicant", it is not necessary to verify their identity. Acceptable applicants are:</p> <ul style="list-style-type: none">a) a regulated person in the Isle of Man or a nominee company of that regulated person;b) a lawyer or accountant carrying out business in or from the Isle of Man, where the relevant person is satisfied that the rules of the professional body of the applicant for business embody requirements and procedures that are at least equivalent to the Code;c) a person who acts in the course of external regulated business and is regulated under the law and regulations of a country that is on the FSC list of equivalent jurisdictions to the Isle of Man or a nominee company of that external regulated business; ord) a company listed on a recognised stock exchange or a wholly owned subsidiary of such a company.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Where in accordance with the risk assessment, an applicant for business poses a higher risk, the relevant person must carry out enhanced customer due diligence.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>A relevant person must maintain appropriate procedures and controls for the purpose of determining whether any of the following is a PEP:</p> <ul style="list-style-type: none">a) an applicant for business;b) a customer;c) any natural person having power to direct the activities of an applicant for business or a customer;d) the beneficial owner of an applicant for business or a customer; ore) a known beneficiary of a legal arrangement. <p>A relevant person must maintain appropriate procedures and controls for requiring the approval of its senior management before any business relationship is established with a PEP; or before any one-off transaction is carried out with a PEP; or where it is discovered that an existing business relationship is with a PEP, before continuing that relationship.</p>
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Before entering into a business relationship or one-off transaction involving correspondent banking services or other similar arrangements, banks must take additional steps to the customer due diligence requirements as per Paragraph 13 of the Code as follows:</p> <ul style="list-style-type: none">a) obtain sufficient information about the respondent bank to understand fully the nature of its business;b) determine from publicly available information the respondent bank's reputation and quality of supervision including whether it has been subject to a money laundering or terrorist financing investigation or regulatory action;c) assess the respondent bank's AML/CFT procedures and controls, and ascertain that they are adequate and effective;d) obtain senior management approval, i.e. sign off before establishing new correspondent banking relationships; ande) document the respective AML/CFT responsibilities of the licence holder and the respondent bank.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Where the licence holder deals with an applicant for business otherwise than face-to-face, it must take adequate measures to compensate for any risk arising as a result.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Isle of Man Financial Crime Unit "FCU" (http://www.gov.im/fcu/st_reports/)
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 1,442 SAR's GDP data is not available for this specific period.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Under the Proceeds of Crime Act 2008, the penalty for failure to report is a fine and/or a prison sentence of up to five years. The penalty for tipping off is a fine and/or a prison sentence of up to two years.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Consent is required from the FCU to proceed with a current/ongoing transaction that is identified as suspicious.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.



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Last updated:
January 2012

General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2010 (the Criminal Justice (Money Laundering and Terrorist Financing) Act ("Act")).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The previous regulations did not facilitate a risk-based approach. Different levels of CDD & ongoing monitoring was not a requirement
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	For regulated entities: Central Bank of Ireland For Auditors, External Accountants, Tax Advisers, Trust or Company Service Providers, Private Members' Gaming Clubs, High Value Goods Dealers. The Department of Justice and Equality Anti-Money Laundering Compliance Unit (AMLCU)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Industry guidance notes are available which were prepared by a committee representing various sectors of the financial services industry. The Guidelines have been approved under section 107 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 which is a matter for the Department of Justice and Equality and the Department of Finance. http://www.finance.gov.ie/viewdoc.asp?DocId=1&CatID=16
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	CDD in relation to existing customers must be conducted where: a) The designated body has reasonable grounds to doubt the veracity or adequacy of documents or information previously obtained; or b) There are doubts concerning previously obtained customer identification data.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	The Act provides expressly for risk-based measures to be applied by designated persons.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The last evaluation conducted by FATF was on 17 Feb 2006 http://www.fatf-gafi.org/dataoecd/63/29/36336845.pdf

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	In relation to "occasional transactions" where the total amount of money paid by the customer in a single transaction or series is greater than EUR15,000. For more information see A12 (SCDD).

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?				
A9.	<p>The Act specifies in section 33(2)(a) that the measures to be applied under section 33(1) of the Act include identifying the customer, and verifying the customer's identity on the basis of documents (whether or not in electronic form), or information, that the designated person has reasonable grounds to believe can be relied upon to confirm the identity of the customer, including:</p> <ol style="list-style-type: none"> documents from a government source (whether or not a State government source); or any prescribed class of documents, or any prescribed combination of classes of documents <p>The Guidance:</p> <p>Individuals The following information should be obtained and verified: Name, Date of Birth and Current Address</p> <p>Documentary Verification "One plus One" approach – one item from the list of photographic IDs (typically to verify name and date of birth) and one item from the list of non-photographic IDs (typically to verify address).</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="background-color: #f4a460;">Photographic ID:</th> <th style="background-color: #f4a460;">Non Photographic ID:</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ol style="list-style-type: none"> Current valid passport; Current valid driving licence; Current valid National Identity Card. </td> <td style="vertical-align: top;"> <ol style="list-style-type: none"> Official documentation/cards issued by the Revenue Commissioners and addressed to the individual; Official documentation/cards issued by the Department of Social and Family Affairs and addressed to the individual; Instrument of a court appointment (such as liquidator, or grant of probate); Current local authority document e.g. refuse collection bill, water charge bill (including those printed from the internet); Current statement of account from a credit or financial institution, or credit/debit card statements (including those printed from the internet); Current utility bills (including those printed from the internet); or Current household/motor insurance certificate and renewal notice. </td> </tr> </tbody> </table> <p>Entities: Customer Name, legal form & proof of existence; address of registered office and main place of business; the nature of the business and its ownership and control structure and Directors or equivalent. Either two directors or one director and one authorised signatory.</p> <p>Beneficial Owner The extent of verification depends on level of associated risk.</p> <p>Documentary verification</p> <ol style="list-style-type: none"> A search of the relevant company or other registry; A copy, as appropriate to the nature of the entity, of the certificate of incorporation, a certificate of good standing, a partnership agreement, a deed of trust, or other official documentation proving the name, form and current existence of the customer; In cases regarded by the Designated Person as higher risk, use of more than one source of information may be warranted. Obtaining a copy of the annual audited accounts listing directors. 	Photographic ID:	Non Photographic ID:	<ol style="list-style-type: none"> Current valid passport; Current valid driving licence; Current valid National Identity Card. 	<ol style="list-style-type: none"> Official documentation/cards issued by the Revenue Commissioners and addressed to the individual; Official documentation/cards issued by the Department of Social and Family Affairs and addressed to the individual; Instrument of a court appointment (such as liquidator, or grant of probate); Current local authority document e.g. refuse collection bill, water charge bill (including those printed from the internet); Current statement of account from a credit or financial institution, or credit/debit card statements (including those printed from the internet); Current utility bills (including those printed from the internet); or Current household/motor insurance certificate and renewal notice.
Photographic ID:	Non Photographic ID:				
<ol style="list-style-type: none"> Current valid passport; Current valid driving licence; Current valid National Identity Card. 	<ol style="list-style-type: none"> Official documentation/cards issued by the Revenue Commissioners and addressed to the individual; Official documentation/cards issued by the Department of Social and Family Affairs and addressed to the individual; Instrument of a court appointment (such as liquidator, or grant of probate); Current local authority document e.g. refuse collection bill, water charge bill (including those printed from the internet); Current statement of account from a credit or financial institution, or credit/debit card statements (including those printed from the internet); Current utility bills (including those printed from the internet); or Current household/motor insurance certificate and renewal notice. 				

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>The Guidance states that the following, and potentially their equivalents in other jurisdictions, are considered suitable persons to certify documentation, where they are willing to do so:</p> <ol style="list-style-type: none"> Garda Siochana/ Police Officer; Practising Chartered & Certified Public Accountants; Notaries Public / Practising solicitors; Embassy/Consular Staff; Regulated financial or credit institutions; Justice of the peace; Commissioner for oaths; and Medical professional.

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Q11.	What are the high level requirements around beneficial ownership (identification and verification)?	
A11.	<p>How to identify:</p> <p>Identify any beneficial owner connected with the customer or service concerned. This information can be provided by the customer (or on the customer's behalf by the customer's duly authorised representative) or obtained from a reliable, independent source. This should include Designated Persons taking reasonable measures to understand the ownership and control structure of the customer. This would comprise:</p> <ol style="list-style-type: none"> Any natural person who owns or controls more than 25% of the shares or voting rights in the legal person or arrangement; or Any natural person who exerts ultimate control over the legal person through its management or otherwise. <p>If, exceptionally, due to the nature or structure of the legal person or arrangement, it is not feasible to identify any natural person who meets either of the definitions at i) or ii) above, the Designated Person may treat as exercising control of the directors (or equivalent) or other persons having the power to legally bind the customer.⁵</p> <p>The Designated Person must record the basis for their decision in reaching the conclusions it has in relation to the ownership/control of the customer.</p>	<p>How to verify:</p> <p>Verify the identity of the natural persons who own or control more than 25% of the shares or voting rights or otherwise exercise control over the management of the legal person or arrangement. The extent of this verification is dependent on the relevant risks.</p> <p>This would be satisfied by verifying identity in line with the requirements for individuals.</p> <p>This could also be satisfied by one or more of the following alternative approaches in line with the risk policy of the Designated Person. In high risk scenarios a designated person should use more than one source to verify information.</p> <ol style="list-style-type: none"> obtaining a copy of the annual audited accounts listing shareholders, directors or other persons exercising control over the customer (where the information is considered by the Designated Person to be current and reliable), or for complex structures, (particularly where a company is registered abroad) a relevant and up-to-date legal opinion from a source on which the Designated Person is prepared to rely, documenting due diligence conducted, including in relation to information on the shareholding/control structure and directors (or equivalent); or placing reliance on information provided/certified by counterparties/agents (e.g. in syndicated deals) where such persons are regulated credit or financial institutions or are legal or accountancy professionals subject to equivalent AML/CTF obligations; or having a notary public (or equivalent) certify the validity of the information provided by or on behalf of the customer; or placing reliance on information provided/certified by a Company Secretary (or equivalent) e.g. copies of constitutional documentation (e.g. Memo & Articles/Certificates of Incorporation/Trust Deed) and shareholder certification. <p>In line with the Designated Person's risk assessment the process may include verifying a beneficial owner's personal identity (the extent of verification required will depend on the risk) in line with the requirements for personal customers. Such verification should be considered the norm for any customer regarded by the designated person as higher risk.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?	
A12.	<p>Specified Customers</p> <ol style="list-style-type: none"> Credit and Financial Institutions Listed Companies Public Bodies Beneficial Owners of Pooled Accounts held by Solicitors and other Legal Professionals <p>Specified Products:</p> <ol style="list-style-type: none"> Electronic money (If the device cannot be recharged, the maximum amount stored in the device is no more than EUR250 or EUR500, if the device cannot be used outside the State. Where the device can be recharged, a limit of EUR2,500 is imposed on the total amount transacted in a calendar year, except where an amount EUR1,000 or more is redeemed in that same calendar year by the bearer of electronic money). Life assurance policy (having an annual premium of no more than EUR1,000 or a single premium of no more than EUR2,500) Pensions 	
Q13.	In what circumstances are enhanced customer due diligence measures required?	
A13.	<p>In respect of:</p> <ol style="list-style-type: none"> a correspondent banking relationship; a business relationship or transaction with a non- resident PEP; or a higher risk customer (including non face to face). 	

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Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The Act requires designated persons to apply enhanced measures to PEPs that are resident outside the State but not to PEPs resident in the State (under the definition of a PEP, an individual ceases to be so regarded one year after he has left office).
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Sec. 38(1) of the Act states that: Prior to commencing the relationship, the credit institution: <ul style="list-style-type: none"> a) has gathered sufficient information about the respondent institution to understand fully the nature of the business of that institution; b) is satisfied on reasonable grounds, based on publicly available information, that the reputation of the respondent institution, and the quality of supervision or monitoring of the operation of that institution in the place, are sound; c) is satisfied on reasonable grounds, having assessed the anti-money laundering and anti-terrorist financing controls applied by the respondent institution, that those controls are sound; d) has ensured that approval is obtained from the senior management of the credit institution; and e) has documented the responsibilities of each institution in applying anti-money laundering and anti-terrorist financing controls to customers in the conduct of the correspondent banking relationship.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - under Section 59 of the Act.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Section 33(4) of the Act contains a supplementary obligation on a designated person where a customer who is an individual does not present in person. This is not an alternative obligation but a supplementary one. The subsection provides that, without prejudice to the generality of section 33(2)(a) of the Act, one or more of the following measures shall be applied by a designated person under section 33(1) of the Act, where a customer who is an individual does not present to the designated person for verification in person of the customer's identity e.g. verification of the identity with additional documentation; robust anti-fraud checks, etc.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.						
A18.	<table border="0"> <tr> <td>An Garda Síochána</td> <td>Revenue Commissioners</td> </tr> <tr> <td>Detective Superintendent, Financial Intelligence Unit (FIU), Garda Bureau of Fraud Investigation, Harcourt Square, Dublin 2</td> <td>Suspicious Transactions Reports Office Block D, Ashtowngate, Navan Road, Dublin 15</td> </tr> <tr> <td>Phone No.: 01-6663714 Fax No.: 01-6663711</td> <td>Phone No: 01-8277542 Fax No: 01-8277484</td> </tr> </table>	An Garda Síochána	Revenue Commissioners	Detective Superintendent, Financial Intelligence Unit (FIU), Garda Bureau of Fraud Investigation, Harcourt Square, Dublin 2	Suspicious Transactions Reports Office Block D, Ashtowngate, Navan Road, Dublin 15	Phone No.: 01-6663714 Fax No.: 01-6663711	Phone No: 01-8277542 Fax No: 01-8277484
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Phone No.: 01-6663714 Fax No.: 01-6663711	Phone No: 01-8277542 Fax No: 01-8277484						
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.						
A19.	Information on the volume of SARs is not publicly available.						
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?						
A20.	Yes - The Act requires that knowledge or suspicion or the reasonable grounds for suspicion that another person has been or is engaged in an offence of money laundering or terrorist financing shall be reported to the Garda Síochána and the Revenue Commissioners. The Act requires in Sec. 43 to report any service or transaction which is connected with a place that does not have adequate procedures in place for the detection of money laundering or terrorist financing (designated place under Sec.32).						

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Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - Sec. 43(2) provides that: Except as provided by section 46, a person who fails to comply with this section commits an offence and is liable— a) on summary conviction, to a fine not exceeding EUR5,000 or imprisonment for a term not exceeding 12 months (or both); or b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 5 years (or both).
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	N/A
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	According to Sec. 42 (7) A designated person who is required to make a report under this section shall not proceed with any suspicious transaction or service connected with the report, or with a transaction or service the subject of the report, prior to the sending of the report to the Garda Síochána and the Revenue Commissioners unless: a) it is not practicable to delay or stop the transaction or service from proceeding, or b) the designated person is of the reasonable opinion that failure to proceed with the transaction or service may result in the other person suspecting that a report may be (or may have been) made or that an investigation may be commenced or in the course of being conducted. c) Nothing in subsection (7) authorises a designated person to proceed with a service or transaction if the person has been directed or ordered not to proceed with the service or transaction under section 17 and the direction or order is in force.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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Last updated:
January 2012

General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The AML Act – Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing came into effect on 14 December 2007 and is still currently in force.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website
A3.	<ul style="list-style-type: none">a) Hungarian Financial Supervisory Authority - http://www.pszaf.hu/en/b) Hungarian Financial Supervisory Authority, plus Hungarian National Bank - http://www.pszaf.hu/en/c) casinos: national tax authority (National Tax and Customs Administration) - http://en.apeh.hu/d) other:<ul style="list-style-type: none">• for auditors: Chamber of Hungarian Auditors - http://www.mkvk.hu/• for attorneys, law firms, notaries, etc – local Bar which they are the member of• for trading companies: chambers they belong to• tax advisors and advisors dealing with real estate issues: FIU - http://vam.gov.hu/pio/index_eng.html
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes, each regulator, indicated above in A3, issued guidance and/or template AML documents.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - in cases where there are doubts surrounding the verification or adequacy of the customer identification data obtained previously.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - simplified and enhanced customer due diligence.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No information available on this publicly.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR15,000 (HUF3.6m) (other than where there are two or more such transactions which the firm believes are linked, and which together would amount to EUR15,000 or more) or any amount which is viewed to be of a suspicious nature.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>For the purposes of identification and verification procedures, service providers require the following documents to be presented:</p> <p>Natural persons:</p> <ol style="list-style-type: none">personal identification document (official identity card) and official address card of Hungarian citizens; andpassport or personal identity card for foreign nationals or documentary evidence of the right of residence or a valid residence permit. <p>Legal persons and business associations:</p> <ol style="list-style-type: none">the application for registration or the document of registration for recognised legal persons, or the articles of incorporation of legal persons and business associations lacking legal status whilst not yet registered by the registrar of companies, court or appropriate authority; andfor non-resident legal persons and business associations lacking the legal status of a legal person, the document proving that the person or body has been registered under the law of the country in which it is established.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>Certified copies of the documents shall be accepted for identification procedures if certified by the competent authority of the country where it was issued or by the competent Hungarian foreign representative.</p> <p>Certified copies of the documents referred to above shall be accepted for the verification of the identity of the customer if:</p> <ol style="list-style-type: none">it was prepared by the officer of a Hungarian consular post or by a notary public, and certified accordingly; orthe officer of a Hungarian consular post or the notary public has provided an endorsement for the copy to verify that the copy is identical to the original presented; orthe copy was prepared by an authority of the country where it was issued, if such authority is empowered to make certified copies and the competent Hungarian consulate officer has provided a confirmatory certification of the signature and seal of the authority.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Beneficial owner is defined as:</p> <ol style="list-style-type: none">the natural person who owns or controls at least 25% of the shares or voting rights in a legal person or business association lacking the legal status of a legal person, if that legal person or business association lacking the legal status of a legal person is not listed on a regulated market and is subject to disclosure requirements consistent with European Community legislation or subject to equivalent international standards;the natural person who has a dominant influence on a legal person or business association lacking the legal status of a legal person; andthe natural person on whose behalf a transaction is carried out. <p>When establishing a business relationship, the customer acting on behalf of the beneficial owner shall indicate in a written statement the details of the beneficial owner such as surname, forename, address and nationality. The service provider may request the customer to supply other details of the beneficial owner (e.g. number/type of identification document, place of residence in Hungary for foreign nationals, date of birth and mother's name) to prevent and combat money laundering and terrorist financing. Where there is any doubt concerning the identity of the beneficial owner, the service provider must take measures to check the beneficial owners' identification data in publicly available records and registers.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified Customer Due Diligence applies where the customer is:</p> <ol style="list-style-type: none">a service provider engaged in carrying out the activities defined in the law (financial services, investment services, insurance services, commodity exchange, postal financial intermediation services and voluntary mutual insurance fund services) in the territory of the European Union ('EU'), or a service provider that is engaged in these activities and situated in a third country which imposes requirements equivalent to those laid down in the Money Laundering Act;a listed company whose securities are traded on a regulated market in one or more member states, or a listed company from a third country that is subject to disclosure requirements consistent with European Community legislation; anda supervisory body mentioned in the law/central government body or a local authority/a body of the European Community. <p>Simplified Customer Due Diligence also applies for: insurance policies with a low-level annual/single premium/insurance policies for pension schemes if there is no surrender clause and where the funds payable to the insured person cannot be used as collateral for any credit or loan arrangement. An insurance company shall not be required to apply customer due diligence measures for identifying a customer whose identity has already been established by an independent insurance intermediary for the same purpose.</p>

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>Enhanced customer due diligence is applicable for:</p> <ul style="list-style-type: none">a) customers that have not been physically present for identification purposes or the verification of their identity;b) correspondent banking relationships;c) Politically Exposed Persons ('PEPs'); andd) transactions for the exchange of money involving a sum of EUR2,000 or more (HUF500,000 or more). <p>The service provider will record further information pertaining to the business relationship and the transaction order e.g. the type, subject matter and term of the contract of the business relationship and the subject matter and the value of the transaction order.</p>
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>Customers residing in another member state or in a third country are required to provide a statement as to whether they are considered politically exposed according to national law of their country. In respect of transactions or business relationships with PEPs residing in another member state or in a third country, approval from the management body, as defined in the organisational and operational regulations, is required.</p>
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Service providers engaged in the provision of financial services or in activities auxiliary to financial services are required, before establishing correspondent banking relationships with respondent institutions from third countries, to:</p> <ul style="list-style-type: none">a) assess, evaluate and analyse the respondent service providers anti-money laundering and anti-terrorist financing controls;b) be satisfied that the respondent service provider has verified the identity of and performed ongoing due diligence on the customers having direct access to accounts of the correspondent and that it is able to monitor access to the accounts of the correspondent on an ongoing basis; andc) be satisfied that the respondent service provider is able to provide relevant customer due diligence data to the correspondent institution, upon request. <p>Approval from the management body must be obtained to engage in correspondent banking relationships.</p>
Q16.	Are relationships with shell banks specifically prohibited?
A16.	<p>Yes - service providers engaged in financial services activity or in activities auxiliary to financial services are prohibited to engage in or continue a correspondent banking relationship with a shell bank or with a service provider that is known to permit its accounts to be used by a shell bank.</p>
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Reporting entities are required to consider the additional risk posed by non face-to-face business, in accordance with the risk based approach and procedures they have adopted. Service providers are required to record all data and particulars specified in the law, where the customer has not been physically present for identification purposes or for the verification of his identity.</p>

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	<p>FIU (Financial Intelligence Unit) which is currently the Hungarian Customs and Finance Guard within the National Tax and Customs Authorisation.</p> <p>http://vam.gov.hu/pio/index_eng.html</p>
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 7,177 SARs</p> <p>GDP (in current prices): 2010 – USD128,632 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD17.9 million of GDP.</p>

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - Up to 2 years imprisonment for non-reporting.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Work needs to be ceased at reporting. Written information is required from the FIU in order to continue.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law was issued in 1999. It is supplemented by the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007 ('the Regulations') and the Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing ('the Handbook').
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	AML legislation requiring customer due diligence procedures was introduced in 2002. The 2007 Regulations and Handbook represent an update to the 2002 requirements.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Guernsey Financial Services Commission (www.gfsc.gg)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - The AML Handbook has specific guidance for industries on the application of AML requirements. For example, the AML Handbook for the accountancy sector.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No – however verification procedures are required for such customers at appropriate times on a risk sensitive basis.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - the Regulations and Handbook became effective on 15 December 2007 for regulated financial services businesses. The regulations were extended in September 2008 and October 2010 to cover certain services offered by lawyers, accountants and estate agents.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes IMF Assessment in January 2011. Available on IMF website.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – one-off transactions (single or linked) under GBP10,000 do not require customer due diligence.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: name, address, date of birth, nationality, occupation, official personal identification number. No specific documents are mandatory, but local guidance dictates that evidence of identity should be obtained from documents issued by reputable sources, for example a passport or other national identity card. Separate verification of other details is also required.</p> <p>Legal Entities: Specific requirements vary depending on the risk profile of the applicant for business. Minimum evidence expected is one of:</p> <ul style="list-style-type: none">a) original or certified copy of the certificate of incorporation and memorandum and Articles of Association;b) company registry search;c) latest audited financial statements;d) a copy of the Directors' Register;e) a copy of the shareholders' register;f) independent information sources, including electronic sources; org) a personal visit to the principle place of business. <p>In addition, identification and verification must be completed for individuals ultimately owning 25% or more of the legal entity and individuals (including directors and beneficial owners) with ultimate effective control over the assets of the legal entity.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Where non face- to-face identification and verification is carried out, a certified copy of the identification documentation is required (by a Notary Public or other qualified professional able to legally certify documents).
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Beneficial owners and controllers must be identified and verification documentation obtained, including, at a minimum, those holding 25% or more interest in the capital of the entity.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced and simplified arrangements are available for identification and verification procedures of regulated institutions and publically traded companies. There is also some scope for reliance to be placed on procedures already conducted by intermediary regulated institutions.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced measures are required for those potential clients deemed to be of higher risk. This might take into account factors such as Politically Exposed Persons ('PEPs') risk, client not physically present for identification purposes, correspondent banking relationships, jurisdictional risk and types of activity.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence and enhanced scrutiny is required on all accounts that have links with PEPs, but particularly those with links to countries that are vulnerable to corruption.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Local requirements specifically identify correspondent banking relationships as a trigger for enhanced measures. Specific measures required include: <ul style="list-style-type: none">a) gathering sufficient information to understand the nature of the respondent's business;b) determining the reputation of the institution from publically available information;c) assessing the respondent institution's AML policies;d) obtaining senior management approval for taking on the client; ande) documenting the respective AML responsibilities of each institution.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Additional measures are required for non face-to-face transactions and/or relationships. Examples of such measures are: a) additional verification documentation; b) development of independent contact with the client; c) third party introduction; and d) requiring the first payment to be carried out through a bank account situated in an equivalent jurisdiction.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	GFIS – Guernsey Financial Intelligence Service as a division of the Guernsey Financial Investigation Unit. (www.guernseyfiu.gov.gg)

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2008 – 500 SARs GDP data is only available for the Channel Islands as a whole.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Whilst there is no specific legal requirement, there is guidance for specific industries (for example, high value goods dealers) on unusual transactions, cash transactions, wire transfers etc. This is part of the AML handbook.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes – there are penalties for "Failure to report", "Assisting" and "Tipping Off".

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.

Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes – authorisation is required to proceed if transactions are identified as suspicious.

Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1995 (amended 2005, 2006 and 2008)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	<p>The Regulators for the AML controls are the public authorities ("Competent Authorities") which supervise the compliance of obliged persons with the provisions of the Greek AML legislation.</p> <p>The Competent Authorities are:</p> <ul style="list-style-type: none">a) the Bank of Greece for: credit institutions; leasing companies; factoring companies; bureaux de change; intermediaries in funds transfers; credit companies; and postal companies, only to the extent that they act as intermediaries in funds transfers. The Bank of Greece, in supervising these companies cooperates with the Ministry of Transport and Communications and the National Telecommunications and Post Commission; insurance companies; insurance intermediaries.b) the Hellenic Capital Market Commission for: portfolio investment companies in the form of a societe anonyme; management companies of mutual funds; management companies of mutual funds investing in real estate; management companies of mutual funds for venture capital; investment firms and investment intermediary firms.c) the Accounting and Auditing Supervisory Commission for chartered accountants and audit firms;d) The Ministry of Economy and Finance (General Directorate of Tax Controls) for: venture capital firms; companies providing business capital; tax consultants, tax experts and related firms; independent accountants and private auditors; real estate agents and related firms; auction houses; dealers in high value goods; auctioneers; and pawnbrokers;e) the Gambling Control Commission of law 3229/2004 (O.G.G. A 38) for: casino enterprises; casinos operating on ships flying the Greek flag; companies, organisations and other entities engaged in gambling activities; and betting outlets;f) the Ministry of Justice for notaries; lawyers;g) the Ministry of Development for the natural or legal persons providing services to companies and trusts (trust and companies service providers)h) for branches in Greece of financial institutions which have their registered office abroad, the competent authority shall be the corresponding authority responsible for domestic financial institutions conducting activities similar to those of such foreign financial institutions.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The Competent Authorities have issued Interpretative Circulars, Decisions and Regulatory Acts, each one giving instructions and interpretations of the AML provision to the obligated persons under their supervision. The Competent Authorities through such decisions/Acts have the power to modify the obligations laid down in the Greek AML legislation for the Obligated Persons.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Greek AML legislation states that obliged persons may apply, at the appropriate time, risk-based due diligence measures not only to new but also to existing customers. Decisions of the competent authorities may determine the criteria and the method of application of due diligence to existing customers.

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Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.fatf-gafi.org/document/7/0,3746,en_32250379_32235720_48263111_1_1_1_1,00.html .

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes – In principle, occasional (one-off) transactions below EUR15,000; a lower threshold of EUR1,000 per insurance contract per year (or of EUR2,500 in the case of a one-off payment). The law also caters for a lower threshold option in relation to electronic funds transfers depending on the decision and guidance provided by the respective regulatory authority.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: For identifying individuals, a police identity card or passport plus any other document that provides evidence of his/her residential and business address, as well as his/her profession and tax registration number Legal Entities: Most recent legal documentation as defined by Greek law depending on the type of entity, identifying: a) business name, address and purpose of the entity; b) representation and signing authorities of the entity; c) any changes and amendments on the statutes of the entity and/or its representatives; d) police identity cards or passports of the legal representative(s) of the entity as well as evidence of their current residence; e) Tax registration number; and, f) Beneficial Owner(s).
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of identification documents may be certified by a state authority, a notary public or a lawyer. Copies may also be certified by an authorised employee of a financial institution upon presentation of the originals.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Beneficial owners are: In the case of corporate entities: a) the natural person(s) who ultimately own(s) or control(s) a legal entity through direct or indirect ownership or control over a sufficient percentage of the shares or voting rights in that legal entity, including through bearer share holdings (other than a company listed on a regulated market that is subject to disclosure requirements consistent with community legislation or subject to equivalent international standards - a percentage of 25% plus one share shall be deemed sufficient to meet this criterion); b) the natural person(s) who otherwise exercise(s) control over the management of a legal entity. In the case of legal entities, such as foundations and legal arrangements, and trusts, which administer and distribute funds: a) where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of 25% or more of the property of a legal arrangement or entity; b) where the individuals that benefit from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates; c) the natural person(s) who exercise(s) control over 25% or more of the property of a legal arrangement or entity.

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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Under local legislation it is up to the discretion of the relevant party to decide not to perform identity checks (unless there is a suspicion of money laundering) for financial institutions or organisations (entities regulated by the Bank of Greece).</p> <p>In addition, there are reduced due diligence requirements (no verification requirement) for other types of entities such as:</p> <ol style="list-style-type: none">listed companies whose securities are admitted to trading on a regulated market in one or more Member States and listed companies from other countries which are subject to disclosure requirements consistent with Community legislation;beneficial owners of pooled accounts held by notaries and other independent legal professionals from the Member States, or from other countries provided that they are subject to requirements to combat money laundering or terrorist financing consistent with international standards and are supervised for compliance with those requirements and provided that the information on the identity of the beneficial owner is available, on request, to the institutions that act as depository institutions for the pooled accounts;companies operating as undertakings for collective investment in transferable securities and companies that operate as undertakings for collective investment in transferable securities, are based in the European Union and operate in consistency with the provisions of Directive 85/611/EEC as currently in force;public law legal entities and state owned organisations of at least 51%; andpublic authorities which satisfy certain requirements. <p>Moreover there are reduced due diligence requirements (no verification requirement) for:</p> <ol style="list-style-type: none">life insurance policies where the annual premium is no more than EUR 1,000 or the single premium is no more than EUR2,500;a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme;insurance policies for pension schemes if there is no surrender clause and the policy cannot be used as collateral; andelectronic money, where the maximum amount stored in the device is no more than EUR250, or where, if the device can be recharged, a limit of EUR2,500 is imposed on the total amount transacted in a calendar year, except when an amount of EUR1,000 or more is redeemed in that same calendar year by the bearer.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>On a risk-sensitive basis, enhanced customer due diligence measures are required, especially for:</p> <ol style="list-style-type: none">transactions without the physical presence of the customer;cross border correspondent banking; andpolitically exposed persons. <p>Moreover, most of the Competent Authorities have issued guidance that the following type of customers should be considered as high risk for money laundering purposes and should be subjected to enhanced due diligence procedures:</p> <ol style="list-style-type: none">companies with bearer shares;offshore companies;non-profit entities or organisations;persons from countries that do not adequately implement FATF recommendations; andtrust or similar Foreign Law Entities.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Where the PEP is not a Greek resident.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>In respect of cross-frontier correspondent banking relationships with respondent institutions from third countries, credit institutions shall:</p> <ol style="list-style-type: none">gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision;assess the respondent institution's anti-money laundering and anti-terrorist financing controls;obtain approval from senior management before establishing new correspondent banking relationships;document the respective responsibilities of each institution; andwith respect to payable-through accounts, be satisfied that the respondent credit institution has verified the identity of and performed ongoing due diligence on the customers having direct access to accounts of the correspondent and that it is able to provide relevant customer due diligence data to the correspondent institution.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Additional due diligence is required to mitigate the higher risk profile associated with non face-to-face transactions. Where a customer approaches a firm remotely (by post, telephone or over the internet), the firm should have appropriate procedures to carry out non face-to-face verification, either electronically or by reference to documents, by having in place additional verification checks to manage the risk of identity fraud.</p> <p>In this respect, obligated persons should take specific and adequate measures to counter the higher risk in cases where the customer is not physically present for identification purposes, mainly by applying one or more of the following measures:</p> <ol style="list-style-type: none">ensuring that the customer's identity is verified by additional documents, data or information;taking supplementary measures to verify or certify the documents supplied, or requiring confirmatory certification by a credit or financial institution based in the European Union; andensuring that the first payment of the operations is carried out through an account opened in the customer's name with a credit institution based in the European Union. <p>Obligated persons should pay special attention to any product or transaction which might favour anonymity and which, by nature or by virtue of information about the profile of the characteristic features of the customer, may be associated with money laundering or terrorist financing and take appropriate measures to avert this risk.</p>

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Greek F.I.U. (Anti-Money Laundering, Counter Terrorist Financing and Source of Funds Investigation Authority) http://www.hellenic-fiu.gr/index.php?lang=en .

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 1 September 2008 to 30 April 2009 – 1,708 (Greek FIU)</p> <p>GDP data is not available for this specific period.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	There are Competent Authorities who have issued instructions to the obligated persons under their supervision for reporting, apart from suspicious transactions for money laundering and terrorist financing, criminal activities (predicate offences, especially those connected with tax evasion) as well as unusual transactions/activities.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>An employee of an obligated legal entity or any other person obliged to report suspicious transactions shall be penalised with a term of imprisonment up to 2 years if he intentionally fails to report to the competent authorities suspicious or unusual transactions or activities or provides false or misleading data, in breach of the relevant legal, administrative or regulatory provisions and rules, provided that his act is not punishable with heavier criminal sanctions.</p> <p>Furthermore, the Competent Authorities have the power to impose on the obligated legal person a wide range of administrative sanctions if they fail to comply with their obligations under Greek AML legislation.</p>

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	According to a Bank of Greece Governor's Act, Credit Institutions (and to some extent Financial Institutions) have the obligation to install adequate IT systems and effective procedures for continuously monitoring accounts and transactions, in order to detect, monitor and assess high-risk transactions and customers. IT systems should be capable of providing timely, reliable and necessary information for detecting, analysing and effectively monitoring customers' accounts and transactions. Accounts and transactions should be monitored in relation to the typology of transactions, the customer's profile, and the anticipated operation of the account in relation to the operation of other accounts in the same customer category. IT systems should be used for obtaining information on defective customer identification, the customer's profile and overall data on the Credit Institution's business relationship with the customer.

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Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	The obligated persons must refrain from carrying out transactions, engaging in activities or providing any services, which they know or suspect to be related to money laundering and terrorist financing offences, unless refraining in such manner is impossible or likely to frustrate efforts to pursue the customers, the beneficial owners or the persons on behalf of whom the customers may be acting; in the latter case the obligated persons shall execute the aforementioned operations and simultaneously inform the Greek F.I.U.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	<p>Law provides that: "Money laundering shall be regarded as such even where the activities which generated the property to be laundered were carried out in the territory of another country, provided that would be a predicate offence if committed in Greece and are punishable according to the law of such other country."</p> <p>Furthermore the Greek F.U.I have the power to request the obligated persons to provide all information required for the performance of their duties, including grouped information about certain categories of transactions or activities of domestic or foreign natural or legal persons or entities.</p>



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996 (amended in 2005 and 2007)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The Gibraltar Financial Services Commission (FSC) - http://www.fsc.gi .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes, the Anti-Money Laundering and Terrorist Financing Guidance Notes - http://www.fsc.gi/amlqn/ .
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - only for clients of Banks and Fiduciary service providers licensed by the FSC.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - amendments introduced and applicable from 15 December 2007.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR15,000.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: Physical identity (e.g. name, date of birth, registration number), address and the source of their income/wealth. Passports or identity cards should be used for verification of physical identity and utility bills or alternatives, such as checking the electoral register/telephone directory, should be used for verification of address.</p> <p>Companies: Copy of the latest report and accounts, board resolution to open the relationship and the empowering authority for those who will operate any account and certificate of incorporation/certificate of trade or equivalent. Also required are authorised signatories for the account/transaction, holders of powers of attorney to operate the account/transaction as well as ultimate beneficial owners (UBO) and shareholders if different from the UBO.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Where verification of identity is required, the documents should be independently verified by the institution itself. High risk customers should have their identification, address and source of income/wealth verified using at least two independent sources other than the document in question. Certified documents must be signed and dated by an external third party, such as a notary, lawyer, accountant etc.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	It is considered appropriate to verify the identity of beneficial owners holding 25% or more. Where a principal owner is another corporate entity or trust, the firm should take measures to look behind that entity and establish the identities of its beneficial owners or trustees, unless that company is publicly quoted. The firm will then judge which of the beneficial owners exercise effective control, and whose identities should therefore be verified.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	The level of documentation required should be adapted according to the risk profile of the customer, the level and nature of the business, the risk tolerance of the institution and any existing relationships with that customer. Local guidance requires that institutions have a methodology which classifies the different types of customers into risk categories and processes that adequately mitigate the risks posed by these.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Where an entity is known to be linked to a Politically Exposed Person ('PEP'), or to a jurisdiction assessed as carrying a higher money laundering/terrorist financing risk, or where the company is engaged in activities that are assessed to carry a higher money laundering risk, further verification and/or monitoring may be required.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>The systems of control that firms must adopt to reduce the risks associated with establishing and maintaining business relationships with PEPs include:</p> <ol style="list-style-type: none">establishing and documenting a clear policy and internal guidelines, procedures and controls regarding such business relationships;maintaining an appropriate risk management system to determine whether a potential customer or an existing customer is a PEP;ensuring that decisions to enter into business relationships with PEPs are only taken by senior management; andensuring that business relationships which are known to be related to PEPs must be subject to proactive monitoring of the activity on such accounts.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The following controls amongst others need to be implemented for correspondent banking relationships:</p> <ol style="list-style-type: none">a firm must gather sufficient information about a respondent institution to fully understand the nature of their business;senior management approval must be obtained prior to establishing new correspondent relationships; andthe firm must assess the respondent institution's AML and terrorist financing controls.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

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Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>The additional controls required in respect of non face-to-face customers are:</p> <ul style="list-style-type: none">a) ensuring that the customer's identity is established by additional documents, data or information;b) supplementary measures to verify the documents supplied, or requiring an eligible introducer to certify the customer identification documents; andc) ensuring that the first payment of the operation is carried out through an account in the customer's name at a credit institution. <p>A common mechanism adopted by many firms is to permit the use of certified customer identification documents provided in lieu of having had sight of the originals.</p>

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Gibraltar Financial Intelligence Unit, which is a member of the Egmont Group/
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>There are three offences that could be committed by an individual:</p> <ul style="list-style-type: none">a) Assistance;b) tipping off; and;c) failure to file a SAR.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (amended 2003 and 2008).
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	According to section. 16 of the German Anti Money Laundering Act: a) German Banking Supervisory Authority (BaFin) www.bafin.de b) See above c) Decentralized regulation, communal supervision in each of the 16 states of Germany e.g. Hessen: http://www.hessen.de/irj/RPDA_Internet?cid=bed0fee03852d9e5286ceb90870b2356
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	There is guidance in each of the 16 states, for example Hessen: http://www.hessen.de/irj/RPDA_Internet?cid=bed0fee03852d9e5286ceb90870b2356
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - in accordance with Section 3 paragraph 1 number 4 of the German Anti Money Laundering Act
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes- in 2010. http://www.fatf-gafi.org/LongAbstract/0.3425.en_32250379_32235720_44860674_1_1_1_1.00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes. what are the various thresholds in place?
A8.	Yes – one-off transactions below EUR15,000 (in total) and cash transactions in foreign coins and notes below EUR2,500.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: Evidence of identity has to be provided by documentary evidence. The physical or electronic record of the individual should contain the full name, address, date and place of birth and nationality. Documentary evidence can be a valid identity card or a passport, diplomatic passports, passport replacement papers or resident permits.</p> <p>Corporates that are listed in a public register: The physical or electronic record of the institute should contain firm, legal form, register number, address, domicile and names of management. Evidence of identity has to be provided by a certificate of public registration.</p> <p>Corporates that are not listed in a public register (partnership): The physical or electronic record of the institute should contain firm, legal form, register number, address, domicile and names of management. Evidence of identity has to be provided by a partnership agreement. In addition, the partners have to be identified like individuals.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>Individuals and Corporates:</p> <p>In general, the physical presence of the individual (identification document: passport including a photograph of the individual) or an authorised representative of the corporate (identification document: copy of the register) is required.</p> <p>In exceptional cases (e.g. for online banks), trusted third parties, including other banks, insurance companies, notaries or the German Post, are allowed to conduct the identification. In addition, the individual or an authorised representative of the corporate is allowed to send a copy of the identification document certified by a notary, church or public administrator but the first transaction has to be received from an account opened at another bank named in guideline 2005/60/EG or domiciled in a country with equivalent AML rules.</p>
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The beneficial owner is the individual who is owner or ultimately controls the contracting party (ownership of 25% or more) or on whose decision the transaction is ultimately initiated.</p> <p>Documentary evidence does not have to be provided for the identification of a beneficial owner.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced/simplified due diligence arrangements are possible where there is a reduced money laundering or terrorist financing risk. This applies to transactions with other financial institutions, listed companies, domestic and some foreign authorities.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>Enhanced customer due diligence is required where there is a high risk of money laundering or terrorist financing. This generally applies to transactions with Politically Exposed Persons ('PEPs') and in cases of non face-to-face transactions.</p> <p>Transactions and client relationships assessed as bearing a higher money laundering/terrorist financing risk, or where the company is engaged in activities that are assessed to bear a higher money laundering risk, will require further verification and/or monitoring. For example, those clients conducting complex transactions or clients in less transparent jurisdictions.</p>
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Enhanced customer due diligence is required for all PEPs.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	In the case of correspondent banks based in European Union ('EU') member states or member states of the Basel committee, it should be ensured that a licence for monetary transfers exists. In the case of correspondent banks based in other countries, additional information regarding the structure of management, ownership and the Articles of Association should be received.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Identification has to be carried out by so called 'trusted third parties' ('zuverlässiger Dritter') such as a bank that offers face-to-face transfers, a notary, a life insurance company or the German Post AG. The third party sends the documentation and a copy of the documentary evidence to the firm that does not offer face-to-face transactions. If this firm ensures that another trusted third party fulfils the German AML Regulations, the identification can be done by another trusted third party. In addition, the first transaction has to be received from an account opened at another bank named in guideline 2005/60/EG or domiciled in a country with equivalent AML rules.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	According to Section 10 and 11 of the German Anti Money Laundering Act: To the Criminal Investigation Department of the relevant state and to the central Criminal Investigation Department of Germany (Central Division for Suspicious Activity Reports -(Financial Intelligence Unit -FIU))
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 11,042 SARs (FIU) GDP (in current prices): 2010 – USD3,280,530 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD297.1 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Until January 2012, only unusual transactions had to be reported. However due to the findings of the FATF there will be an update of the German Anti Money Laundering Act in February 2012. Going forward the internal threshold to report an unusual transaction or behaviour will be much lower.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes - section. 17 I no. 8 of the German Anti Money Laundering Act outlines the penalties for not reporting, an incorrect report of an unusual transaction, an incomplete report or one not made in the correct timeframe.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Yes, according to sec. 25 II of the German Banking Act.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes, sec. 11 of the German Anti Money Laundering Act
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1990. Fully revised with the transposition of the third AML Directive on 30 January 2009.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	The requirements of the previous AML regime already included KYC, monitoring of transactions and Suspicious Transactions Reporting. However, the former regime did not allow risk-based approaches for due diligence depending on the AML risk scoring of customers, transactions and products; the scope of Suspicious Transaction Reporting did not include transactions relating to tax fraud; there was no definition of a Politically Exposed Person ('PEP'); and collaboration between regulated entities was not recognised.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	a) Autorité de Contrôle Prudentiel (ACP): http://www.banque-france.fr/supervision-et-reglementation/acp.html#header b) Autorité des Marchés Financiers (AMF) (and ACP if the subsidiary of a bank): http://www.amf-france.org/ c) Autorité de Régulation de s Jeux en ligne (ARJEL): http://www.arjel.fr/ for online games, casinos etc.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Sources of practical guidance includes: a) http://www.acp.banque-france.fr/controle-prudentiel/lutte-contre-le-blanchiment-des-capitaux-et-le-financement-du-terrorisme.html b) http://www.amf-france.org/resultat_simple.asp?sltypeinfo=site&iFullTextQuery=blanchiment+des+capitaux%60%22blanchiment+de+capitaux%2&iLanguage=French&iDatabaseSelection=AMFCMR c) http://www.economie.gouv.fr/traffin d) http://www.fbf.fr/fr/environnement-europeen-et-international/lutte-anti-blanchiment/875GT2&Count=8 e) http://www.arjel.fr/Textes-de-reference-.html
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	No - each institution must implement a risk-based approach which defines the required due diligence depending on the money-laundering risks associated with the customer, product, transaction and means of distribution. Regulation provides examples of low and high risk customers, products, transactions and means of distribution but these lists are not exhaustive. Each institution must define their own risk mapping of customers, products, transactions and means of distribution and the associated due diligence required. This risk-based approach is not validated by the local regulator(s).

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes, the anti-money laundering and countering the financing of terrorism (AML/CFT) measures in place in France have been evaluated by the FATF in 2010 (18 January - 2 February 2010) http://www.fatf-gafi.org/document/54/0,3746,en_32250379_32236963_47221531_1_1_1_1.00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR8,000 if the transaction is not deemed suspicious.

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: a government-issued document with a photograph (such as a valid passport or a valid photocard driving licence), supporting documents of home address at the date when the documents are collected, occupation, revenues or any other relevant documents which enable to assess the client's resources and his personal assets. Legal entities: original or certified copy of any deed or extract of an official register stating the company name, address, legal status and identity of the executives, annual reports of the last 3 years and auditors' reports.

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Individuals: Original identification documentation must be provided. A bank's employee is required to make a copy of the original documentation and certify it true to the original. Legal entities: Except in the specific case of the presentation of a certified copy of any deed or extract of an official register stating the name, legal form and registered office, documentation provided should be the original with a copy certified by the bank's employee.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The institution shall identify the effective beneficiary of the business relationship through any means it deems adequate and necessary. It should verify that this identity is based on the documents collected, according to the assessed level of money laundering risk and the documentation shall be kept on record.

Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Due diligence may be reduced when the money laundering risks associated with a given customer and/or business relationships are considered as low. Low risk customers include financial institutions subject to equivalent AML regulation, large corporates whose shares are listed on a regulated stock-exchange incorporated in an EU-country or an equivalent third-party country and public administrative bodies or authorities of an EU-country. Low risk products include life insurance contracts with an annual premium under EUR 1,000 or with a unique premium under EUR 2,500

Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required in the following cases: a) when the client or his representative is not physically present for the account opening; b) when the client is a Politically Exposed Person ('PEP'); c) when the transaction or the financial instrument facilitates the anonymity of the client; d) when the transaction is carried out by individuals who live or corporates which are incorporated in non-cooperative countries; and e) when the transaction is complex, of an unusual amount or without obvious justification.

Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	The regulation requires institutions to conduct additional due diligence for PEPs in all cases as these clients are systematically considered as high risk clients.

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Institutions must :</p> <ul style="list-style-type: none"> a) collect sufficient information on its correspondent banking relationships' activities and assess, based on publicly available information, its reputation; b) assess its anti-money laundering arrangements; c) ensure that the decision of establishing this relationship has been approved by an executive of the institution; d) include in the correspondent-banking agreement the requirements to provide the institution with information on demand; and e) ensure that the correspondent-banking counterparty has checked the identity of its clients, when the institution has opened accounts which are directly used by the correspondent-banking clients for their own transactions.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Regulation requires institutions to systematically conduct enhanced due diligence for non face-to-face transactions and/or relationships, i.e. relationships considered as high-risk in terms of money-laundering.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Tracfin (Traitement du renseignement et action contre les circuits financiers clandestins): http://www.tracfin.bercy.gouv.fr/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 19,882 SARs, divided as follows: Financial sector: 17,905; Non-financial sector: 1,303; Legal professionals: 674 (Source: Tracfin annual report)</p> <p>GDP (in current prices): 2010 – USD2,560,002 million (Source: data.worldbank.org¹)</p> <p>This results in a ratio of 1 SAR for every USD128.8 million of GDP.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>Yes –</p> <ul style="list-style-type: none"> a) operations which are particularly complex, an amount which appears to be unusually high or does not appear to have any economic justification, where the bank is unable to establish the identity of the beneficiary or obtain sufficient information regarding the origin and destination fund, the commercial background or the legality of a transaction; b) any transaction for which the identity of the originator or the beneficiary could not be established.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.

Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes.

Questions and Answers:

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Country by country comparison of high level Know Your Customer and Anti-Money Laundering information

Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes – The transaction is on “hold” until Tracfin approval.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Yes - if it concerns a country of the European Union or a country which imposes equivalent rules to France with regard to the fight against Money Laundering and Terrorist Financing.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2008 (original 1998, amended 2003)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	In general, previous AML laws followed previous European Union ('EU') directives.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	(a) Financial Supervisory Authority http://www.fin-fsa.fi (b) Financial Supervisory Authority http://www.fin-fsa.fi (c) Ministry of the Interior and Regional State Administrative agencies
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes guidance is provided by the Money Laundering Clearing House of Finland (operates within the National Bureau of Investigation (NBI) - www.poliisi.fi/nbi).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - based on a risk-based assessment.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR15,000, provided that there is no reason to suspect that the assets or other property involved in a transaction are of an illegal nature or are used to commit (or attempt to commit) an offence of money laundering or financing terrorism.

Questions and Answers:

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>The following information is required:</p> <p>Individuals: full name, date of birth, identification number (for foreign citizens: citizenship and passport number). Required documents for individuals: passport, driving licence or official identity card.</p> <p>Legal entities: name, business identification number, date of registration (and name of registration authority), field of activity as well as full name, date of birth and citizenship of members of the statutory bodies and the person(s) representing the legal entity. Required documents for legal entities: trade register extract or equivalent official extract from a relevant public register and relevant documents for the individuals previously mentioned.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	A certified copy signed by two qualified individuals is required. The qualified individual does not have to be a notary, lawyer or accountant.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The name, date of birth and identification number of the beneficial owner(s) (for foreign citizens: citizenship and passport number) must be verified.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced/simplified due diligence arrangements are available if the risk of money laundering or financing terrorism connected to the customer, product, service or field of activity is low. For example, simplified due diligence arrangements are available to Finnish authorities; public companies listed on the Finnish or any other European Economic Area ('EEA') country exchange; credit institutions, financial institutions, investment firms, management companies/custodians and insurance companies with concession in Finland or another EEA country.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced due diligence measures are required if there is a high risk of money laundering or financing terrorism in connection to the customer, product, service or field of activity. Enhanced due diligence is also required if the transaction is connected to a state in which systems for preventing and clearing money laundering does not meet international standards.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence is required if the customer himself is a PEP or is related to a PEP, or is an individual who is known to be the business partner of a PEP.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Firstly, the management of the credit institution has to approve the correspondent banking relationship. Should it be approved, the credit institution has to collect sufficient information about the correspondent bank which includes evaluating the bank's reputation, the quality of its supervision and the correspondent bank's measures to prevent money laundering and financing terrorism.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	No.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Additional due diligence is always required if the customer is not physically present for identification.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Money Laundering Clearing House of Finland, which operates within the NBI.
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 21,454 SARs GDP (in current prices): 2010 – USD238,745 million (Source: data.worldbank.org ¹) This results in a ratio of 1 SAR for every USD11.1 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes. a) Violation of customer due diligence: fine, unless a more severe punishment for the act is provided elsewhere in the law. b) Registration violation: fine, unless a more severe punishment for the act is provided elsewhere in the law. c) Violation of the obligation to report money laundering: fine d) Payment service violation: fine, unless a more severe punishment for the act is provided elsewhere in the law
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.

¹ GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Last updated:
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1993 (significant amendments in 2006, 2008 and 2009)
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	a) The Danish FSA, (http://www.finanstilsynet.dk), b) The Danish FSA, (http://www.finanstilsynet.dk), c) Business Registry Authority (http://www.erst.dk/), Lawyer: The Danish Bar and Law Society (http://www.advokatsamfundet.dk)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - a Danish general guidance is issued by the Danish FSA. http://www.finanstilsynet.dk/da/Temaer/Hvidvask/Regler.aspx Furthermore the Danish Business Authority has issued guidance for specific sectors e.g. accountancy sector, http://www.eogs.dk/sw22201.asp
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - but a company can postpone confirmation of the identification of customers using a risk based approach and based on any previous relationship with the customer.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - a risk based approach is allowed in accordance with law. However, the actual approach has to be approved as being consistent with the AML regulations.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available)
A7.	http://www.fatf-gafi.org/document/4/0.3746.en_32250379_32236963_46167620_1_1_1_1.00.html

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below DKK100,000 (approx. EUR13,300).

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: name, address and social security number. Accepted evidence includes: passport, driving license, birth certificate, tax returns and tax code (including social security number). Electronic public keys will also be accepted. Corporates: name, address and company number. Accepted evidence includes: Registered information from the Danish Commerce and Companies Agency and Articles of Association.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	There are no mandatory requirements in the law, but it is stated in local guidance that copies of identification documentation are accepted. Copies of documentation can be certified by financial institutions according to the law.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Identification of the beneficial owner has to be known. The group structure or ownership of a group has to be identified as well as shareholders who own more than 25% of a company.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Customer due diligence is reduced in three main areas: a) payments for life insurance or under pension agreements under specific circumstances e.g. payments of EUR1,000 or less for recurring fees and a one time fee of EUR2,500 or less; b) electronic money - if the device cannot be recharged and the maximum amount stored in the device is no more than EUR150, or where, if the device can be recharged, a limit of EUR2,500 is imposed on the total amount transacted in a calendar year, except when an amount of EUR1,000 or more is redeemed in that same calendar year; and c) specific transactions and products as described by the Danish Financial Services Agency (FSA) in order no. 712 of 2008.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Local guidance states four cases: customers who do not physically present themselves for identification purposes; cross-border correspondent banks; Politically Exposed Persons ('PEPs'); and shell companies.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Legislation requires financial institutions to: a) have sufficient procedures to determine whether the customer is a PEP who is a resident of another country; b) obtain approvals from senior management on a daily basis for establishing business relationships with such customers; c) take reasonable measures to gather information about the sources of income and funds that are involved in the business relationship or transaction; and d) continuously monitor the business relationship.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	In cases of money transfers to or from a bank outside the European Union ('EU') where there is no official agreement of financial services with the EU, further proceedings have to be considered as stated in the local guidance. Before establishing new correspondent banking relationships, firms will be required to: a) gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision; b) assess the counterparty's AML and anti-terrorist-financing controls; and c) obtain approval from senior daily management, etc.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In the case of a customer who has not been physically present for identification purposes, legislation requires the taking of 'further measures to ascertain the customer's identity'. It sets out an illustrative list of measures that can be taken to ascertain the customer's identity in these situations, such as: ensuring that the customer's identity is established by additional documentation; checking or verifying the documents supplied, or requiring a confirmatory certification by another financial institution; and requiring that the first payment in connection with the transactions is carried out through an account opened in the customer's name with a bank.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Danish Money Laundering Secretariat hosted by the State Prosecutor for Serious Economic Crime (www.hvidvask.dk (under construction)).
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 2,316 SARs GDP (in current prices): 2010 – USD309,865 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD133.8 million of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Any violation of money laundering or terrorist financing has to be reported immediately and the suspect can be punished by 1 year imprisonment.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Staff members are not required to have knowledge of what crimes can be in violation of the law and punishable by 1 year. Therefore staff members must report internally to a compliance officer, who afterwards decide whether to report to the State Prosecutor for Serious Economic Crime or not.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Any penalties will be handled by the State Prosecutor for Serious Economic Crime. In certain cases this can be up to 6 months imprisonment.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	Companies must have administrative procedures in place. Financial companies are considered to be operating in high risk sector and therefore automatic monitoring of transactions is required by the Danish FSA.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes -the State Prosecutor for Serious Economic Crime has to report back by the end of the following banking day.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996 (amended 2004, 2006 and 2008 - Act No. 253/2008 Coll. effective as of 1 September 2008) - http://www.mfcr.cz/cps/rde/xbc/mfcr/2008-253-AML_english_vers.1.1.pdf .
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The key regulator for AML controls is: Ministry of Finance of the Czech Republic - Financial Analytical Department (FAU) - http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ochrana_ekonom_zajmu_13891.html Controls are also further performed also by (refer to Section 35 of the Act 253/2008 Coll.): Czech National Bank – www.cnb.cz In accordance with Act No. 6/1993 Coll., on the Czech National Bank (pdf, 190 kB), the Czech National Bank is a supervisory authority of the financial market in the Czech Republic. Czech Trade Inspectorate – www.coi.cz/en/ - Administrative authorities supervising lotteries and other similar games, and holders of licences to operate betting games.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes – Guidelines for submitting AML notifications issued by the Ministry of Finance - http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/rt_bppp_oznameni_podez_obchodu.html Guidelines issued by Czech National Bank - http://www.cnb.cz/cs/dohled_financni_trh/legislativni_zakladna/legalizace_vynosu/metodiky_vyklady.html
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes – the Czech National Bank stipulates in Guidance 281/2008, that financial and credit institutions should implement the risk based approach when assessing the risk of legitimisation of proceeds of crime and financing of terrorism. The institutions should take into consideration the best practices applied in this area. Furthermore, the Czech National Bank issued its official ruling on 26 May 2009 in which it specifies the respective AML standards: http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/cs/legislativa/vestnik/2009/download/v_2009_08_21109560.pdf

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	MONEYVAL assessment - April 2011 - http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Czech_en.asp

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
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A8.	Yes - any single transaction below EUR 15,000 does not require any customer due diligence unless it is a: a) A suspicious transaction; b) an agreement to enter into a business relationship; c) an agreement to establish an account, to make a deposit into a deposit passbook or a deposit certificate, or to make any other type of deposit; d) an agreement to use a safety deposit box or an agreement on custody; e) a transaction with a Politically Exposed Person ('PEP'); and f) as part of the business relationship.
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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
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A9.	The following information is required: Individuals: Name, surname, birth identification number or date of birth, place of birth, sex, address and citizenship. These would normally be verified by an identity card or passport. Individuals who conduct business: In addition to the above, full name of the business, place of business and identification number needs to be noted. Legal entities: the full name, residency/seat, identification (or similar identification received from foreign offices) showing evidence of the company's existence (i.e. certificate of incorporation, trade register statement or other). The same principles for 'Individuals' apply for the identification of individuals in the company's statutory body. If the company's statutory body or the owner is another legal entity, identification documentation must also be collected for that entity.
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Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
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A10.	These should be certified by an appropriate person e.g. a notary, local authorities etc. Specific rules apply to credit and financial institutions, where certain employees are authorized to verify these when opening account, concluding contract etc.
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Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
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A11.	The shareholders of a legal entity (with more than 25% holding) must be ascertained. Identification requirements are the same as for the relevant legal entity.
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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
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A12.	Simplified due diligence is applicable for a transaction exceeding EUR1,000 unless it is a: a) suspicious transaction; b) an agreement to enter into a business relationship; c) an agreement to establish an account, to make a deposit into a deposit passbook or a deposit certificate, or to make any other type of deposit; d) an agreement to use a safety deposit box or an agreement on custody; e) a life insurance contract, should the customer have a right to pay extra premiums above the agreed limit of the one-off or regular premiums payments; f) a purchase or receipt of cultural heritage, items of cultural value, used goods or goods without a receipt of origin to further trade in such goods, or receipt of such items in pawn; or g) withdrawal of the final balance of a cancelled bearer passbook.
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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence is applicable for: a) a remote financial services agreement under the Civil Code; b) a transaction and business relationship with a Politically Exposed Person ('PEP'); and c) a correspondent bank relationship with a foreign credit or similar institution ('Correspondent Institution').

Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Legislation requires financial institutions to: a) have sufficient procedures to determine whether the customer is a PEP who is a resident of another country; b) obtain approvals from senior management on a daily basis for establishing business relationships with such customers; c) take reasonable measures to gather information about the sources of income and funds that are involved in the business relationship or transaction; and d) continuously monitor the business relationship.

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	All transactions with PEPs are subject to due diligence including the provision of information and supporting documentation relating to: a) the purpose and intended nature of the transactions or business relationship; b) the beneficial owner, if the client is a legal entity; c) the information required for continuous monitoring of the business relationship; and d) a review of the income source.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	In the case of a remote financial services agreement under the Civil Code, the entity shall review the customer as follows: a) the first payment under this agreement shall be made via an account kept in the customer's name held at a credit institution or a foreign credit institution operating in the European Union ('EU') or the European Economic Area ('EEA'); b) the customer shall submit to the entity a copy of a document verifying the existence of this account together with copies of the relevant parts of his identity card and at least one more identification document to validate the customer's identification data of this card i.e. the type, serial number, issuing country or institution and validity.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Ministry of Finance of the Czech Republic - Financial analytical department (FAU) http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ochrana_ekonom_zajmu_13891.html

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 1,887 SARs GDP (in current prices): 2010 – USD192,032 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD101.8 million of GDP.

Questions and Answers:

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Suspicious transactions are identified based on criteria such as unusual transactions, international wire transfers etc. However, no special report is required.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes – penalties are described in detail in Section 43 to Section 53 of the Act No. 253/2008 Coll. The maximum penalty is CZK50 million.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, however, transaction monitoring should be performed by using adequate means which assumes use of some automated technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	Yes - in general a transaction that is identified/reported as suspicious can be continued after 24 hours from the time when it has to be notified and received by the Ministry of Finance, unless the Ministry of Finance require to postpone the transaction.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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Country by country comparison of high level Know Your Customer and Anti-Money Laundering information

Cyprus

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Last updated: January
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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1996.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	(a) Banking: Central Bank of Cyprus (www.centralbank.gov.cy) (b) Other Financial Services: CySEC – Cyprus Securities and Exchange Commission (www.cysec.gov.cy) (c) Non-Financial Sector: Unit for Combating Money Laundering (MOKAS) (www.law.gov.cy/mokas/)
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	The Institute of Certified Public Accountants of Cyprus (ICPAC) has issued a directive(ICPAC: Directive for the Prevention & Suppression of Money Laundering & Terrorist Financing Laws of 2007 and 2010) that serves as guidance to audit firms. The latest version was issued in December 2011 as an update to the one issued in May 2008,
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last 3 years? If yes, please find a link to a relevant report (if publicly available).
A7.	Cyprus is being assessed by MoneyVal Council Of Europe.

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes, occasional transactions under EUR15,000 whether the transaction is carried out in a single operation or in several operations which appear to be linked.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: should provide their full name, date of birth, the address at which they can be located and their profession or occupation. An official document bearing a photograph of the person should be obtained. It is important that the current permanent address should be verified as it is an integral part of identity by requesting sight of a recent utility bill, local authority tax bill or bank or co-operative society statement, or making a credit reference agency search.</p> <p>Legal Entities: should provide full name, registration address, a copy of the latest report and accounts, a copy of the certificate of incorporation/certificate of trade or equivalent, a copy of the company's Memorandum and Articles of Association and other certificates issued by the Registrar of Companies, a group structure to identify individuals who control over 10% of the entity's shares or voting rights, the names of the directors.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	The documents must be certified true copies of the originals.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Due diligence measures comprise identifying the beneficial owner owning or controlling more than 10% of the shares or voting rights of the client.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>According to paragraph 63-(1) of the Law: Simplified customer due diligence and identifications procedures can be used in respect of the following:</p> <ul style="list-style-type: none"> (a) Credit of Financial Institution covered by the EU Directive or those who are situated in a country outside the European Economic Area which (i) in accordance with a decision of the Advisory Authority for Combating Money Laundering and Terrorist Financing, imposes requirements equivalent to those laid down by the EU Directive and (ii) it is under supervision for compliance with those requirements; (b) Listed companies whose securities are admitted to trading on a regulated market in a country of the European Economic Area or in a third country which is subject to disclosure requirements consistent with community legislation; and, (c) Domestic Public Authorities of countries of the European Economic Area.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>According to paragraph 64-(1) of the Law: Enhanced due diligence measures should be in place in respect of the following customers:</p> <ul style="list-style-type: none"> (a) Where the customer has not been physically present for identification purposes; (b) In respect of cross-frontier correspondent banking relationships with current institutions to customers from third countries; and (c) In respect of transactions or business relationships with politically exposed persons ('PEPs') residing in a country within the European Economic Area or a third country. <p>According to paragraph 64-(2) of the Law: "Enhanced customer due diligence measures must be taken in all other instances which due to their nature entail a higher risk of money laundering or terrorist financing."</p>
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>According to paragraph 4.53 of the Directive, if the prospective client is a PEP, the firm should obtain senior management approval for establishing business relationship. In additionm according to paragraph 4.55 of the Directive, the firm should establish the source of wealth and source of funds for PEPs and also conduct an ongoing monitoring on the business relationship.</p> <p>Paragraph 4.56 of the Directive states that the firm should pay special attention when PEP's which originate from a country which is widely known to face problems of bribery, corruption and financial irregularity and whose anti-money laundering laws and regulations are not equivalent with international standards.</p>

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>According to 64 (b) of the Law, in respect of cross-frontier correspondent banking relationships with credit institutions to customers from third countries, it is required to:</p> <ol style="list-style-type: none"> Gather sufficient information about the credit institution customer to understand fully the nature of the business and the activities of the customer and to assess, from publicly available information, the reputation of the institution and the quality of its supervision; Assess the systems and procedures applied by the credit institution customer for the prevention of money laundering and terrorist financing; Obtain approval from senior management before entering into correspondent bank account relationship; Document the respective responsibilities of the person engaged in financial or other business activities and of the credit institution-customer; and, With respect to payable-through accounts, it must be ensured that the credit institution-customer has verified the identity of its customers, and performed ongoing due diligence on the customers having direct access to the correspondent bank accounts and that it is able to provide relevant customer's due diligence data to the correspondent institution, upon request.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	If the client is a non-Cypriot resident who is not seen face to face, then a professional adviser in the client's home country could be used to confirm identity, or a copy of the passport authenticated by an attorney or consulate, or verification details covering true name, permanent address & verification of signature could be checked with a reputable credit or financial institution or professional advisor in the prospective client's home country.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Unit for Combating Money Laundering (MOKAS): http://www.law.gov.cy/law/mokas/mokas.nsf/dttindex_gr/dttindex_gr?OpenDocument

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 989 SARs (MOKAS)</p> <p>GDP (in current prices): 2010 – USD23,132 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD23.4 million of GDP.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	According to 6.05 of the Directive, any knowledge or suspicion of money laundering or terrorist financing should be promptly reported to MOKAS.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No, because according to paragraph 6.01 of the Directive for the Prevention & Suppression of Money Laundering & Terrorist Financing Laws of 2007 and 2010, the types of transactions which may be used by those exercising money laundering or terrorist financing are almost unlimited, it is difficult to define a suspicious transaction.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>According to the Law: “(27-(1)) A person who (a) knows or reasonably suspects that another person is engaged in laundering or financing of terrorism offences, and (b) the information on which that knowledge or reasonable suspicion is based, comes to his attention in the course of his trade, profession, business or employment shall commit an offence if he does not disclose the said information to the Unit as soon as is reasonably practicable after it comes to his attention.</p> <p>27-(3) No criminal proceedings shall be brought against a person for the commission of the offences referred to in subsection (1), without the expressed approval of the Attorney General.</p> <p>27-(4) An offence under this section shall be punishable by imprisonment not exceeding five years or by a pecuniary penalty not exceeding EUR5,000 or by both of these penalties.”</p>
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	<p>No. According to the Directive for the Prevention & Suppression of Money Laundering & Terrorist Financing Laws of 2007, paragraph 6.04, a firm might also consider monitoring the types of transactions and circumstances that have given rise to suspicious transaction reports by staff, with a view to updating internal instructions and guidelines from time to time. However there is no requirement to use automated Suspicious Transaction monitoring.</p>
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	<p>According to paragraph 70 of the Law: Persons engaged in financial and other business activities refrain from carrying out transactions which they know or suspect to be related with money laundering or terrorist financing before they inform the Unit of their suspicion. It is provided that, if it is impossible to refrain from carrying out the transaction or is likely to frustrate efforts to pursue the beneficiaries of a suspected money laundering or terrorist financing operation, the persons engaged in financial or other business activities, must inform the Unit immediately afterwards.</p>
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	<p>Local legislation does not cover monitoring transactions outside Cyprus.</p>

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Last updated: January 2012

General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2009.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	Requirements of the previous AML legislation did not provide detailed guidelines for customer identification procedures, i.e. for PEPs (Politically Exposed Persons), financial institutions which have headquarters in a foreign country, non-face to face transactions. Also previous legislation did not contain detailed guidance on the professional education of those persons responsible for the system for prevention of money laundering.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	State Investigation and Protection Agency: http://www.sipa.gov.ba/en/onama.php
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes - http://www.sipa.gov.ba/bs/kodeks/smjernicefoobo.pdf
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	For customers who existed before the current AML legislation was introduced, companies are obliged to collect missing documentation and data.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last 3 years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes - http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round3/MONEYVAL(2009)42Rep_BIH3_en.pdf

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes. what are the various thresholds in place?
A8.	Transactions less than approximately EUR15,339 are not reported to Financial Reporting Organisation.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Identification of the customer based on the documents, data and information obtained from relevant and objective resources (originals or verified copies of ID cards, excerpt from court registers, etc) in order to: a) Determine the beneficial owner; b) Obtain information on the purposes and nature of the business relationship or transaction; c) Perform continuous monitoring of business activities of the customers.

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Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies of identification documents must be verified.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Identity of the beneficial owner of the legal entity is verified through the original or verified copy of the excerpt from court register or other public register. If this is not possible the controller shall gather all relevant information from the original or verified documentation and business records submitted by the agent of the beneficial owner.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced/simplified due diligence arrangements are available if customers are institutions with public authority (authorities of Bosnia and Herzegovina, Federation Bosnia and Herzegovina, Republic of Srpska or Brcko District), banks, insurance companies and other physical person or legal entity which is acting as agent in sale of insurance policies, investment and retirement funds regardless of the legal form which have headquarters in BiH, or in the territory of European Union, or in the countries which fulfil internationally accepted standards for prevention of money laundering and financing of the terrorist activities, based on the information obtained from Financial Reporting organisation, international organisation or other authorised international authorities, and which are approved by Minister, and customers which are characterised as low risk clients by controller.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Enhanced customer due diligence measures are required for banks or other financial institutions which have headquarters abroad, politically PEPs, in the event when customer was not present during the identification check, in other circumstances when, due to the business relationship with, type of transaction, business profile of the customer or other circumstances is characterised as high risk.
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Enhanced customer procedure are required for foreign PEPs are required for every physical person who has or used to have exposed public function, their close family members and close assistants: president of the state, premieres, ministers, deputies of ministers, assistants of ministers, representatives of the legislators, judges of the supreme court, constitutional court or other courts, members of the audit department and board of governor of the Central Bank, ambassadors and officers of the military forces, members of the management or supervisory boards of the companies which are mainly owned by the state.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Enhanced customer due diligence procedures are prescribed for banks and other financial institutions which have headquarters abroad. Apart from identification and monitoring procedures, the company is obliged to: <ul style="list-style-type: none"> a) gather information whether customer has approval, if yes for which period approval is granted, for providing banking services, name and headquarter of the authority which issued the approval; description of the internal procedures which relate to identification and prevention of money laundering and financing of the terrorist activities; description of the internal procedures for identification of the beneficial owner of the customer, which relate to reports on suspicious transactions to the relevant authorities; description of the internal procedures for keeping the reports, description of the internal controls and other procedures adopted by the bank for detection and prevention of the money laundering or financing terrorist activities; b) Description of the relevant legislation in the field of detection and prevention of money laundering and financing terrorist activities in the state where bank or similar financial institution is established or registered; c) Written statement that bank or other similar financial institution does not have any business relation with shell banks; d) Written statement that bank or other similar financial institution does not have legal relationship with shell banks; e) Written statement that bank or other similar financial institution is not under administrative supervision in the residence state and that, in accordance with legislation in the residence state, has obligation to adjust its business activities to be in line with legislation which relate to detection and prevention of money laundering and financing of terrorist activities. f) Employee of the controller shall not enter into business relationship with foreign bank prior obtaining approval from his superior.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	The following identification procedures are required for customers not physically present during the identification process: <ul style="list-style-type: none"> a) gather additional identification documents, data and information based on which the identity of the customer can be checked; b) perform additional checks of the identification documents submitted and obtain confirmation for those documents from another loan or financial institution; and c) apply measures by which first payment is performed via an account opened in the name of customer in another financial institution.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SARs reports are made to State Investigation and Protection Agency - http://www.sipa.gov.ba/en/onama.php .
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2009 – 14.3 billion SARs GDP (in current prices): 2009 – USD17,049 million (Source: data.worldbank.org) This results in a ratio of 1 SAR for every USD1.19 of GDP.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	Transactions below approximately EUR15,339.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	AML legislation prescribes financial penalties for non compliance with reporting requirements for legal entity, controller, responsible person in the legal entity and independent entrepreneur.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	A transaction which is identified as suspicious is temporary suspended based on the warrant of the Financial Reporting organisation up to a maximum of 5 days.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Local legislation allows the Financial Reporting Organisation to request documentation and information from other authorities which are responsible for prevention of money laundering.

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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The local law became effective in 1993. However, to incorporate the third AML Directive, it has been amended by the law of 18 January 2010.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Since 1 April 2011, the supervision of the Belgian financial sector has been organised according to the "Twin Peaks" model, with two autonomous supervisors, namely the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA), both of which are competent (depending on the licence, NBB or FSMA is competent) in the field of AML related matters to the financial sector. http://www.cbfa.be/eng/index.asp
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	There is specific guidance per sector on the website of the Belgian Financial Intelligence Processing Unit (CTIF-CFI) for a risk-based approach. http://www.ctif-cfi.be/website/index.php?option=com_content&view=article&id=71&Itemid=99&lang=en
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No - however, the local law requires identification data to be updated in cases where there are doubts about the veracity or accuracy of previously obtained identification data or where the risk sensitivity of the client requires this. Moreover, the amendment by law on 18 January 2010, which implied a broader application field, obliges, in its transitional provisions, the institutions and persons to: a) identify and verify the place and date of birth of natural persons with whom they have a business relationship on 05 February 2010 (i.e. date of entry into force of the amending law) within a period that is to be determined depending on the risk, but no later than 05 February 2015; b) update, depending on the risk, the identification of the beneficial owners of the customers with whom they have a business relationship on 05 February 2010; this period is extended to five years for the identification of the date of birth and place of birth; c) take adequate and specific risk based measures to identify Politically Exposed Persons (PEP's) (see Q 14) and to apply the specific measures on preventing the use of the financial system for purposes of money laundering and terrorist financing and the Code on Companies by 05 February 2011 at the latest.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Before the amendment of the local law by the law of 18 January 2010, the Banking Finance and Insurance Commission (CBFA - local supervisor) already recommended a risk based approach for financial institutions and insurance companies (providing life insurance services) in its circular guidelines (PPB 2005/5 jo. PPB 2004/8 and D.258 jo. D.250). With the amendment by the law of 18 January 2010, a risk based approach is implemented in local law in relation to specific topics.

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Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	<p>After the adoption of their Mutual Evaluation Report (MER), FATF member countries are required to provide information on the measures that have been implemented to deal with the deficiencies identified in the report. Belgium is subject to this process of providing a biennial update (i.e. every two years) to the FATF Plenary on any of the 40+9 Recommendations that are rated PC (Partially Compliant) or NC (Non Compliant). The second update was provided to the Plenary in June 2009 is available at www.ctif-cfi.be/website/index.php?option=com_content&view=article&id=56&Itemid=75&lang=en</p> <p>There has been no IMF assessment during the last three years.</p>

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	<p>Yes - when the customer wishes to carry out a transaction outside the context of a business relationship:</p> <ul style="list-style-type: none">a) for an amount below EUR10,000;b) consisting in a transfer of funds to a payee's account within Belgium for an amount of less than or equal to EUR1,000 on condition that:<ul style="list-style-type: none">a. the transfer is a payment within the terms of an agreement for the provision of goods or services, concluded between the payer and the payee;b. the payee's account was opened to enable the payment for the provision of goods or services;c. the payment service provider of the payee is subject to the obligations set out in the AML laws; andd. this payment service provider is able, by means of a unique identifier, to trace the transaction via the payee back to the payer.c) concerns banks and financial institutions. <p>The above exceptions cannot apply where there is a suspicion of money laundering or terrorist financing or when there are doubts about the veracity or accuracy of previously obtained identification data regarding a customer who has already been identified.</p>

Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals and institutions must identify clients and their agents.</p> <p>Identification of natural persons: surname, first name, date and place of birth and, whenever possible, relevant information on the address of the identified person.</p> <p>Identification for legal persons, trusts, fiduciaries and similar legal arrangements: corporate name, registered office and directors, and note must be taken of the provisions regarding the power to commit the legal person, trust, fiduciary or similar legal arrangement.</p> <p>The identification must be verified by means of a supporting document, of which a copy is made on paper or by electronic means. For natural persons, a copy of their identity card or passport is required and for legal person, a copy of their coordinated statutes.</p> <p>Together with the identification, information must be collected regarding the purpose and intended nature of the business relationship.</p>

Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Clients must be identified by means of a supporting document, of which a copy is made on paper or by electronic means. Such documents need to be probative documents, admissible as evidence. There is no information about certification by external third parties in local legislation.

Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	For the beneficial owner, the identification must cover the surname, first name and, whenever possible, the date and place of birth. In addition, whenever possible, relevant information must be collected with regard to address details. Furthermore, appropriate risk based measures must be taken to verify these data sources. Beneficiaries of a life insurance contract must be identified before the actual remittance. The regulation therefore foresees the possibility of postponed identification.

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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>The local regulation does foresee this possibility where:</p> <ol style="list-style-type: none">the customer or beneficial owner is a credit or financial institution as defined in art. 2 of the third AML Directive, established in Belgium or another country within the EEA, or an equivalent institution established in a third country that has foreseen requirements and controls similar to those in the third AML Directive and of which a specific list is to be drawn in a Royal Decree;the customer or beneficial owner is a listed company whose securities are admitted to trading on the regulated market within the meaning of Directive 2004/39/EC in a country of the EEA, or is a listed company from a third country, designated in a Royal Decree, and which is subject to disclosure requirements consistent with community legislation ;the beneficial owner of a pooled account held by notaries and other independent legal professionals established in Belgium or another country within the EEA or from third countries , designated in a Royal Decree , provided that they are subject to requirements to combat money laundering or terrorist financing consistent with international standards and are supervised for compliance with those requirements and provided that the information on the identity of the beneficial owner is available, on request, to the institutions that act as depository institutions for the pooled accounts. If the client would be bound by professional secrecy, and thus unable to provide the information on the identity of the beneficial owner, the client needs to confirm in writing or by electronic means to the depository institution that the beneficial owners of the pooled accounts involved are solely clients with whom the relationship consists in ascertaining their legal position or performing their task of defending or representing those clients in, or concerning judicial proceedings including giving advice on instituting or avoiding proceedings. the client or beneficial owner is a Belgian public authority ;the client is a European public authority or institution, included on a list to be drawn in a Royal Decree;the client is a person or institution indicated in a specific list yet to be drawn in a Royal Decree; <p>In addition, by way of derogation, it is allowed not to apply customer or beneficial owner due diligence in respect of:</p> <ol style="list-style-type: none">life insurance policies where the annual premium is no more than EUR1,000 or the single premium is no more than EUR2,500;insurance policies for pension schemes if there is no surrender clause and the policy cannot be used as collateral;a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme;electronic money as defined in article 3, §1, 7° of the law of 22 March 1993 regarding the pursuit of and prudential supervision of credit institutions, where, if the device cannot be recharged, the maximum amount stored in the device is no more than EUR150, or where, if the device can be recharged, a limit of EUR2,500 is imposed on the total amount transacted in a calendar year, except when an amount of EUR1,000 or more is redeemed in the same calendar year by the bearer as referred to in article 5 of the law of 22 March 1993;in respect of any other product or transaction representing a low risk of money laundering or terrorist financing which meets the criteria to be established in a royal decree.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>Local regulation foresees enhanced customer due diligence measures on a risk sensitive basis in situations which by their nature can represent a higher risk of money laundering or terrorist financing, and at least in the following situations:</p> <ol style="list-style-type: none">establishing a business relationship with or carrying out a transaction for a customer that was not physically present for identification purposes (non face-to-face contact);establishing a business relationship or carrying out a transaction with or for a PEP (see Q14 below);engaging in cross-border correspondent banking relationships with respondent institutions from third countries (see Q15 below);
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>Belgium has instituted a comprehensive set of measures applicable to PEPs. These measures include:</p> <ol style="list-style-type: none">applying appropriate risk based procedures to determine whether the customer or his beneficial owner is a PEP;obtaining approval from a sufficiently senior level of management before establishing business relations with such customers;taking appropriate risk-based measures to establish the source of wealth and funds that are involved in the business relationship or transaction;conducting enhanced ongoing monitoring of the business relationship.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Belgium is in full compliance with the FATF recommendations regarding issues of correspondent banking. It is obliged to:</p> <ol style="list-style-type: none">gather sufficient information about the respondent institution in question to fully understand the nature of its business and to determine from publicly available information its reputation and the quality of the supervision to which it is subjected to;assess the respondent institution's anti-money laundering and anti-terrorist financing controls;obtain approval from a sufficiently senior level of management before establishing new relationships;document in writing the respective responsibilities of each institution;with respect to payable-through accounts, be satisfied that the respondent institution has verified the identity of and has performed ongoing due diligence on the customers having direct access to accounts of the correspondent and that it is able to provide relevant customer due diligence data to the correspondent institution, upon request.

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Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	When entering into a business relationship with a client that is not physically present, specific and adequate measures need to be taken to deal with the increased risk of money laundering and terrorism financing that exist in such circumstances.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Belgian Financial Intelligence Processing Unit (CTIF-CFI), established by the Law of 11 January 1993, is a central part of the Belgian AML/CFT system. CTIF-CFI is an independent administrative authority with legal personality and is supervised by the Ministers of Justice and Finance. CTIF-CFI is in charge of processing suspicious financial facts and transactions linked to money laundering and terrorism financing and are reported by institutions and individuals specified in the law. URL: http://www.ctif-cfi.be/

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 18,673 SARs</p> <p>GDP (in current prices): 2010 – USD469,374 million (Source: data.worldbank.org)</p> <p>This results in a ratio of 1 SAR for every USD25.1 million of GDP.</p> <p>The key figures of the statistics of CTIF-CFI's activities in 2010 point to a continuous increase in the number of disclosures received and processed in accordance with the Law of 11 January 1993 on preventing use of the financial system for purposes of money laundering and terrorist financing.</p>

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>Article 14 §1: The institutions and persons as referred to in Articles 2 §1, 3 and 4 of the law, shall carefully examine any transaction or action they consider particularly likely, by its nature or its unusual character in view of the customer's activities, by the circumstantial elements or by the capacity of the persons involved, to be related to money laundering or terrorist financing.</p> <p>The following institutions and persons should report the following transactions:</p> <ol style="list-style-type: none"> Credit institutions and financial institutions referred to in article 2,§1: if the information provided about the payer of the transaction is insufficient, and if there is suspicion of the proliferation of mass destruction weapons concerning the restrictive measures towards Iran and Korea (EC REG 1781/2006, EC REG 423/2007, EC REG 329/2007). Real Estate agents must oblige regarding restrictions on cash payments (article 20-21) The sale price of real property may only be paid by means of a bank transfer or cheque, unless the amount does not exceed 10% of the sale price and as long as this amount is not higher than EUR15.000. Where the persons referred to in articles 2, §1, 19° and 3, 1° of the law, discover that the above provision has not been respected, they shall immediately inform the Financial Intelligence Processing Unit in writing or by electronic means. Article 21: The price of a sale by a merchant of one or more products whose total value is equal or greater than EUR15.000 may not be paid in cash, regardless of whether the sale takes place in a single or in several apparently related transactions. all the companies and persons referred to in article 2, §1: in case of doubt about the veracity or accuracy of previously obtained identification data about a customer who has already been identified (discretionary), in case of a suspicion of money-laundering or terrorism financing, in case of international transactions related to persons or companies registered in a state with insufficient or contra productive legislation with regards to anti money laundering and terrorism financing and finally in case of the suspicion of serious and organised fiscal fraud.

Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	See A 20, restrictions on cash payments: cash transactions below EUR15.000.

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Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	According to article 40 of the AML law of 1993, non compliance with reporting requirements towards CTIF-CFI (articles 20 and articles 23 to 28) can result in the following sanctions imposed by the competent authority: 1° publication of adopted measures and decisions, 2° Imposing an administrative fine of not less than EUR250 and not more than EUR1.25 million. The CTIF-CFI shall be informed by the competent authority of the final sanction imposed.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	According to article 32 of the regulation of the National Bank of Belgium, the secondary review system is required to react very efficiently and rapidly. As a consequence, only an automated system could fulfil these requirements. Nevertheless, the Commission could accept the use of a non automated system, if the institution can prove that, considering the nature and the volume of the transactions, it is possible to conduct the necessary monitoring without an automated system.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	According to article 23 of the law, the CTIF-CFI may, should it deem such action necessary due to the seriousness or urgency of the matter, oppose execution of any suspected transaction of which it has been informed. The CTIF-CFI shall determine to which transactions and to which accounts the opposition shall apply and shall inform the institutions and persons referred to in article 2, §1 immediately. This opposition shall halt the execution of the transaction for a maximum of two working days starting from the time of notification. If the CTIF-CFI thinks the measure should be extended, it shall refer the matter to the Public Prosecutor, who will take the necessary decisions. In the absence of a decision within the abovementioned two days after notification, the said institutions and persons are free to execute the transaction.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	There is no specific restriction to monitor the transactions in another jurisdiction but the responsibility remains within the entity in Belgium. In particular, transactions of some branches of foreign banks are monitored by the parent company.

* GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	1994. Current AML / CFT relevant amendments: a) Austrian Banking Act and Austrian Insurance Supervision Act last amended on 01 July 2010; b) Austrian Criminal Code (§§ 165 following StGB) last amended on 01 July 2010; c) Austrian Finance Criminal Code (§ 38a and § 39 FinStrG) last amended on 01 January 2011;
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A - The Austrian AML laws and regulations are now based on the Third EU Anti Money Laundering Directive.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	a) Austrian Financial Markets Authority (FMA) – http://www.fma.gv.at/de/startseite.html b) Austrian Financial Markets Authority (FMA) – http://www.fma.gv.at/de/startseite.html c) Relevant economic chamber – http://portal.wko.at/wk/startseite.wk
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	There are five different circulars in place regarding AML / CFT regulations for banking industry, other financial services and insurance companies, issued by the Austrian Financial Markets Authority, last amended on 1 December 2011. http://www.fma.gv.at/de/rechtliche-grundlagen/rundschreiben/geldwaescherei-terrorismusfinanzierung.html
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes - every active customer has to be identified as well as every client whose account has been closed since 1994.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes - a 'circular on the risk-based approach' was published by the Austrian Financial Markets Authority on 23 December 2009, updated on 1 December 2011: http://www.fma.gv.at/typo3conf/ext/dam_download/secure.php?u=0&file=5912&t=1326279853&hash=c176490f3237d72c36f7a4e59bd1aa8e
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes, FATF Mutual Evaluation Report Austria as of 26 June 2011 – http://www.fatf-gafi.org/dataoecd/22/50/44146250.pdf Executive Summary: http://www.fatf-gafi.org/dataoecd/33/28/44168301.pdf

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - one-off transactions below EUR15,000, if there is no AML or CFT suspicion
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Identification and verification is performed using official ID e.g. passport. Customers have to inform the institution if they act on their own account, or on a principal's account. If someone acts on behalf of another person (as a trustee), the identity of that person (the trustor) must also be clarified. The customer has to disclose the ultimate beneficial owner. The institution has to recheck the identity of the ultimate beneficial owner using a risk based approach.</p> <p>Individuals: the following has to be obtained:</p> <ol style="list-style-type: none">full name;date and place of birth;nationality;address; andsignature. <p>As part of the verification process, the identity of the customer has to be verified by an independent source (documents of identification), e.g. a passport, identity card or an Austrian driving licence. The name of the state authority which issued the document and the date of issuance also have to be recorded.</p> <p>Legal entities: the following has to be obtained:</p> <ol style="list-style-type: none">registered name and domicile of the entity; andfull name of the legal representatives of the entity. <p>This data has to be verified by 'appropriate documentation' e.g. an excerpt of the company register.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	The requirements are defined and are to be seen as a way to rely on the authenticity of the document – if there are any doubts and the identity of a person should be verified by other measures. In this case, a suspicious activity report has to be considered.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The Austrian banking and insurance laws require the verification of the identity of beneficial owners holding more than 25% of the shares or voting rights of an entity or holding 25% or more of a trust or foundation. Where a principal owner is another corporate entity or trust, the institution has to take measures to establish the identity of the ultimate beneficial owners (who can only be natural persons) and/or, if applicable, the trustors. In case of a trust or foundation, the identity of the founder and the beneficiaries designated to receive 25% or more of the trust/foundation have to be disclosed by the client.</p> <p>Credit institutions, financial institutions and insurance companies must call upon the customer to reveal the identity of the customer's beneficial owner(s). The customer must comply with this request, and credit institutions, financial institutions and insurance companies must take risk-based and appropriate measures to verify the beneficial owner's identity so that the credit institution, financial institution or insurance company is satisfied that it knows who the beneficial owner is. In the case of legal persons or trusts, this also includes taking risk-based and appropriate measures in order to understand the ownership and control structure of the customer.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Reduced due diligence arrangements are available for the following, but only if the AML/CFT risk is considered low:</p> <ol style="list-style-type: none">domestic public authorities and public authorities of the European Union ('EU');listed companies;credit and financial institutions situated in a third country which impose requirements equivalent to those defined in the third EU AML Directive and which are supervised in compliance with those requirements; andbeneficial owners of pooled accounts held by notaries and other legal professionals from EU Member States.

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>For customers where a higher risk of money laundering or terrorist financing applies, for example:</p> <ul style="list-style-type: none"> a) if the customer has not been physically present for identification ('distance business'/'non-face-to-face-relationships'); b) for cross-frontier correspondent banking relationships with correspondent banks from other countries or from the European Economic Area ('EEA') (the latter only if the AML/CFT risk is considered heightened); and c) for Politically Exposed Persons ('PEPs') of other EU Member States and of third countries. <p>Furthermore, if the client or an authorised signatory, a person, to whom the client has a significant business relationship, or the trustor or the beneficial owner has his/her domicile or residence in one of the following states (see below), or the transaction is made via an account at a bank in one of the following states:</p> <ul style="list-style-type: none"> a) Iran b) North Korea c) Bolivia d) Cuba e) Ethiopia f) Kenya g) Myanmar h) Nigeria i) Sao Tome and Principe j) Sri Lanka k) Syria l) Turkey
Q14.	In what circumstances are additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	In any transaction or business relationship with a PEP of another EU Member State (except Austria) or another country.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>Enhanced due diligence procedures to be performed for cross-border correspondent banking relationships with correspondent banks from third countries or from the EEA (the latter only if the AML/CFT risk is considered heightened) as follows:</p> <ul style="list-style-type: none"> a) credit institutions and financial institutions must gather sufficient information about a correspondent bank to fully understand the nature of its business and be able to ascertain the reputation of the institution and the quality of supervision on the basis of publicly available information; b) credit institutions and financial institutions must satisfy themselves of the correspondent bank's anti-money laundering and anti-terrorist financing controls; c) credit institutions and financial institutions must obtain approval from senior management before establishing new correspondent banking relationships; d) credit institutions and financial institutions must document the respective responsibilities of each institution; and e) with respect to payable-through accounts, credit institutions and financial institutions must be satisfied that the correspondent bank has verified the identity of and performed ongoing due diligence on the customers having direct access to accounts of the correspondent, and that it is able to provide relevant customer due diligence data to the correspondent bank upon request.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes - credit institutions are prohibited from entering into or continuing a correspondent banking relationship with a shell bank. Credit institutions have to take appropriate measures to ensure that they do not engage in or continue correspondent banking relationships with a bank that is known for permitting its accounts to be used by a shell bank.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Non face-to-face relationships and transactions are considered heightened AML/CFT risk by the relevant Austrian AML laws and regulations. For this reason, additional due diligence is always required for non face-to-face relationships and transactions.</p> <p>Trustees must always be identified personally (obligation of personal presence) - non face-to-face relationships are not sufficient for purposes of identification of trustees.</p> <p>Furthermore, additional due diligence is always required (whether face-to-face or non face-to-face) in case of any doubts, indication or suspicion of money laundering or terrorist financing. In these cases, suspicious activity reports have to be considered.</p>

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Suspicious activity reports are to be reported to the Austrian Financial Intelligence Unit (A-FIU), so called "Geldwäschemeldestelle". http://www.bmi.gv.at/cms/BK/meldestellen/geldwaesche/start.aspx
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Suspicious activities regarding money laundering and terrorist financing as well as the suspicion that a client might not properly have disclosed a trusteeship have to be reported.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No, every suspicion described in A20 has to be reported, regardless of the amount.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	No specific penalties prevail for non compliance with reporting requirements, but there are penalties for non compliance with AML and CFT regulations (e.g. § 99 (2) BWG, Austrian Banking Act). Non compliance with reporting requirements can be seen as non compliance with AML and CFT regulations.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, there is no legal or regulatory requirement to use specific AML/CFT IT systems, but in practice, larger institutions will not be able to apply the risk based approach without any IT monitoring technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	In the course of suspicious activity reporting, the institution should ask the A-FIU, whether it can proceed with the transaction or not. The A-FIU has the right to stop ongoing transactions or to forbid future transactions, if there is a suspicion.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	There is no clear rule in place, but there is the legal requirement that Austrian institutions have to apply the same AML/CFT standards as in Austria also in jurisdictions outside Austria where they conduct business (e.g. in CEE – Central and Eastern Europe - and SEE – South Eastern Europe- countries where banks with headquarters in Austria also conduct business).



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	With effect from 2000, the Central Bank of UAE issued the initial AML regulations under Circular 24/2000 ("the regulations"). The DFSA AML Rulebook ("AML Rules") became effective from 2004 onwards.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	<p>The regulator for AML controls in respect of UAE is the UAE Central Bank (CBUAE) and in respect of the Dubai International Financial Centre (DIFC) free-zone, it is the Dubai Financial Services Authority (DFSA). The CBUAE licenses and regulates all banks and financial institutions operating in the United Arab Emirates. The DFSA is the regulator of authorised firms, including banks, insurance companies, investment banks, asset managers and fund administrators, providing financial services in the DIFC.</p> <p>The links to the respective websites are as follows: http://www.centralbank.ae/en/index.php?option=com_content&view=article&id=75&Itemid=95 http://www.dfsa.ae/Pages/DoingBusinesswithDFSA/BeingSupervised/Anti-MoneyLaundering/Anti_MoneyLaundering.aspx</p>
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	There is no such practical guidance provided.
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	An addendum to the UAE Central Bank regulations ("the addendum") states that where accounts have been opened prior to the year 2000, customer due diligence procedures must be undertaken to ensure that there are no risks in continuing such relationships.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	<p>The UAE authorities do not appear to apply a risk based approach to the application of the preventive measures, and no sectors have been specifically exempted from the provisions under the AML/CFT legislation and regulations. In addition, the UAE Central Bank regulations have not been structured so as to recognise the possibility of a risk-based approach to the implementation of the preventive measures at an institutional level.</p> <p>This is in contrast to the approach adopted by the Dubai Financial Services Authority (DFSA), which applies an overriding principle that institutions should have systems and controls that recognise and mitigate their specific risks. The DFSA requires institutions to apply a risk based approach to customer due diligence and ongoing monitoring of accounts. The guidance within the rules specifies the need to undertake a risk assessment of its customers, and to apply a level of identification and verification that is commensurate with the risk.</p>
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	The country had been subject to the mutual evaluation by IMF followed by a discussion with the MENAFATF and FATF in 2008. The report can be accessed via the below given link: http://www.menafatf.org/TopicList.asp?cType=train

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Yes - payment of cash for transfers and drafts above AED2,000 (USD544) for money changers and AED3,500 (USD 952) for banks, and also for receipt of transfers and drafts above AED40,000 (USD10,884) to be paid in cash or in the form of travellers cheques. A circular issued by the UAE Ministry of Economy and Commerce sets out thresholds for insurance transactions.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Banks and financial institutions: The regulations require a bank to obtain full identification details of customers wishing to open a bank account, including full name of the account holder, current address, place of work, evidence of physical verification of the individual's passport including retention of a copy, trade licences in respect of judicial persons, name and addresses of shareholders whose shareholding in public companies exceed 5% and, in respect of societies, original certificates issued by the Ministry of Labour and Social Affairs. Information for transactions exceeding a certain limit is also included.</p> <p>Individuals: The standard customer identification information specified in the regulations include the name, address and place of work. In the case of natural persons, institutions are required to check the applicant's passport and retain a copy, which must be annotated by the account officer as a true copy. Passports are considered a universal and reliable form of verification in the UAE.</p> <p>Corporates: The regulations specify that the institution must take the name and address of the entity and, in the case of a partnership, must record similar information for each of the partners. In addition, it must "obtain all information and documents with regard to juridical persons", but specifies, in particular, the government-issued trade licence required by all businesses registered in the UAE. Institutions have typically interpreted "all documents" to mean the Memorandum and Articles of Association (or equivalent) and any documents that support the legal status of the company to conduct business in the jurisdiction.</p> <p>The AML Rules require all entities to establish and verify the identity of the customers. In addition to the above requirements for individuals and corporate, the AML Rules require information regarding nature of business to be conducted, origin of funds and source of wealth or income. There is further guidance available for corporate entities (subject to certain exemption) such as annual report and list of main shareholders holding more than 5% of the issued capital.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>For individuals, a copy of the passport, and for corporates, a copy of the trade licence, stamped and initialled by the concerned employee as "a true copy of the original" is required. There is no information in the regulations or guidance issued by the CBUAE as to whether copies can be certified by external third parties such as notaries, lawyers and accountants.</p> <p>However, the AML Rules provide guidance for the identification documents to be certified as true copy by the specified authorities such as registered lawyer, notary, chartered accountant, government ministry, post office, police officer, embassy or consulate.</p>
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>The addendum states that, when opening accounts or remitting money, banks or financial institutions must obtain satisfactory evidence of the identities of the beneficial owners of companies and businesses and clearly understand the ownership and control structure of all legal entities.</p> <p>In addition to the above, the regulations state that, when opening an account for a public shareholding company, a bank must obtain the name and address of the shareholders with holdings of 5% or more.</p> <p>The AML Rules require establishing and verifying the identity of the beneficial owners and obtaining sufficient and satisfactory evidences of their identities. In addition, the AML Rules state that all corporate entities (subject to certain exemptions) should obtain a list of main shareholders holding more than 5% of the issued capital.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Generally, there is no provision for simplified due diligence, the one exception by the CBUAE being for transactions falling below the cash transaction thresholds specified for banks (AED40,000 or AED3,500 – see A8) and money changers (AED 2,000).

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Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>The addendum states that enhanced due diligence processes should be applied with respect to high risk customers which includes foreign Politically Exposed Persons ('PEPs'), correspondent banks and specific businesses and individuals dealing in precious metals and stones, real estate, luxury goods, auction houses, private banking customers and non-resident account holders.</p> <p>In addition to the above, the indicators provided in Articles 8 to 14 of the regulations make reference to certain high risk scenarios (e.g. customers from drug producing countries or from countries that do not adequately apply the FATF standards), that should be considered as at higher risk of money laundering.</p> <p>The AML Rules require enhanced due diligence measures for higher risks, products, services and customers such as non face-to-face business relationships or transactions, internet based products, correspondent banking relationships and PEPs.</p>
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>The addendum requires banks and financial institutions to have systems and controls in place to identify whether a potential or existing customer or a beneficial owner is a foreign PEP. Banks and financial institutions are required to obtain written approval from senior management to open accounts for a foreign PEP.</p> <p>The AML Rules require detailed KYC investigations at the beginning of a relationship and on an ongoing basis where the business relationship involves a PEP and family members or close associates of PEPs. Detailed monitoring and due diligence procedures include analysis of complex structures, appropriate measures for establishing the source of wealth, developing a profile of expected activity, senior management approval and regular oversight of the relationship by the senior management.</p>
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The addendum and the AML Rules require banks, exchange houses and other financial institutions to carry out due diligence measures when entering into a cross-border correspondent banking relationship. In addition, research must be conducted from publicly available information on the correspondent bank's business activities, their reputation and the quality of supervision and whether the institution has been subject to any regulatory action. Senior management written approval is required to be obtained prior to such relationships being established.</p>
Q16.	Are relationships with shell banks specifically prohibited?
A16.	<p>The addendum and the AML Rules strictly prohibit any relationship, directly or indirectly, with institutions that have no physical presence (shell banks and companies).</p>
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>Article 3.1 of the regulations requires institutions to take possession of the passport at the time of opening an account. This is understood by institutions (and reinforced by the UAE Central Bank) to mean that the process must be completed in the presence of the customer and that non-face-to-face account opening is not permitted in any circumstances.</p> <p>Investors in securities can place their orders through a broker by telephone or in person, but the majority of orders are currently placed by telephone. Trading on the Dubai Financial Market (DFM) and Abu Dhabi Securities Market (ADSM) occurs on an electronic trading system, which automatically lists, matches, and executes trades. Securities brokers in the UAE provide investors with direct access to several trading platforms. There are no specific requirements in the AML rules that seek to address the risks posed in this area.</p> <p>The AML Rules require firms to take specific and adequate measures necessary to compensate for the higher risk of money laundering, which might arise from non face-to-face business relationships or transactions such as via email, telephone or internet.</p>

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	<p>The Suspicious Transactions Reports (STRs) are required to be reported to the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU) of the UAE Central Bank and a copy to the DFSA (for entities regulated by the DFSA). Refer to the link below.</p> <p>http://www.dfsa.ae/Pages/DoingBusinesswithDFSA/BeingSupervised/Anti-MoneyLaundering/STR.aspx</p>

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, UAE Central Bank and the DFSA stipulate an obligation to report unusual transactions. Fines are imposed in case of non-compliance of these requirements.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	As per the regulation 26/1/2002 issued by the Central Bank regarding declaration when importing cash money into the UAE, any amount not exceeding AED40,000 (USD10,884) can be brought into the country without declaration.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, UAE Federal Law No 4 of 2002 sets out the penalties for failure to report any act related to Money Laundering offence.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	There is no such mandatory requirement for use of automated monitoring technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	In case a transaction is identified as suspicious, the AMLSCU of the UAE Central Bank shall give instructions to the institutions on how to proceed with the transaction. In this case, the customer in question expresses his wish to proceed with the transaction before the institution receives the instruction from the AMLSCU, the institution shall immediately contact the AMLSCU for further instructions.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	There is no specific guidance on monitoring transactions outside UAE. However, Article 21 and 22 of Federal Law No 4 of 2002 issued by the CBUAE permits cooperation with countries with which the UAE has a ratified treaty.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2002
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	The Qatar Financial Centre Regulatory Authority (www.qfcra.com) and The Qatar Central Bank (www.qcb.gov.qa).
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes. The QFCRA has a rulebook giving practical AML/CFT guidance to firms within its jurisdiction. http://www.complinet.com/net_file_store/new_rulebooks/q/f/QFCRA_6883.pdf
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes- www.imf.org/external/pubs/ft/scr/2008/cr08322.pdf .

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>With regards to identification requirements for individuals and legal entities, authorised firms should:</p> <ol style="list-style-type: none">verify the identity of any customer with or for whom the authorised firm acts or proposes to act;establish whether the customer is acting for himself or on the behalf of another person, verify the beneficial owner of any relevant transaction, and obtain sufficient and satisfactory evidence of all of their identities. In cases where the customer is acting on behalf of another person, the authorised firm must obtain a written statement from that person. <p>If it is necessary to enter into an insurance contract before the identification requirements can be completed, the authorised firm must have controls to ensure that any money received is not passed on to any person until the customer identification requirements have been fulfilled. If the customer does not supply evidence of identity in a manner that permits the authorised firm to comply with the Qatar Financial Center ('QFC') AML/CFT regulations, the authorised firm must:</p> <ol style="list-style-type: none">discontinue any activity it is conducting for him; andbring to an end any understanding it has reached with him - unless in either case the authorised firm has informed the regulatory authority. <p>If at any time the authorised firm becomes aware that it lacks sufficient customer identification information/documentation, or develops a concern about the accuracy of its current information/documentation, it must promptly obtain appropriate material to verify the customer's identity.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies must be verified against the original document. If the original document is not available, a certified copy of such document must be presented for verification. Certification can be done by any of the following: a registered lawyer, a registered notary, a chartered accountant, a government ministry, a post office, a police officer or an embassy or consulate.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Beneficial ownership is defined as:</p> <ol style="list-style-type: none">the natural person(s) who own(s) or control(s) directly/indirectly 10% or more of the shares of a legal person, not being a company listed on an official stock exchange;the natural person(s) who directly/indirectly is beneficiary to 10% or more of the property of a legal person or trust, not being a company listed on an official stock exchange; orthe natural person(s) on whose behalf a transaction or activity is being conducted. <p>The authorised firm is expected to establish to its satisfaction the true identity of a customer and any other person on whose behalf the customer is acting, including that of the beneficial owner of the relevant funds which may be the subject of a transaction to be considered. It also should obtain evidence of verification that is sufficient to establish that the person is indeed who he/she claims to be. Where the principal owner is another corporate entity or trust, there is a requirement to look behind that company or trust and to verify the identity of the ultimate beneficial owner or settlor. The capacity of the signatories to act on behalf of the club or society and the identity of beneficial owners of the funds should be established and verified.</p>
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Simplified due diligence arrangements apply in the following cases:</p> <ol style="list-style-type: none">a relevant person is not required to establish the identity of a customer for the AML Regulations if the customer is an authorised firm or another relevant person; anda relevant person is not required to establish the beneficial ownership of a person or any relevant funds for the AML Regulations if the relevant person's customer is an authorised firm or another relevant person. <p>The exceptions above do not apply if the relevant person knows or suspects, or has reasonable grounds to know or suspect, that a customer or a person on whose behalf the customer is acting is engaged in money laundering.</p>
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	The authorised firm must assess its risks in relation to money laundering and perform enhanced due diligence investigations on higher risk products, services and customers having regard to guidance issued by the regulatory authority.

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Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>The authorised firm must implement and maintain detailed monitoring and due diligence procedures for each customer who is, or becomes a PEP. The monitoring and due diligence procedures must include:</p> <ul style="list-style-type: none">a) analysis of any complex structures used by the customer (for example, structures involving trusts or multiple jurisdictions);b) measures to establish the origin of funds and the source of wealth or income:<ul style="list-style-type: none">i. the requirement that senior management approval be obtained before the customer opens an account with the relevant person; orii. if an account has been opened, to engage in any transaction with the customer;c) development of a profile of expected activities for the customer relationship to provide a basis for transaction and account monitoring; andd) regular oversight of the relationship by senior management

Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The authorised firm that establishes, operates or maintains a correspondent account for a correspondent banking client must ensure that it has arrangements to:</p> <ul style="list-style-type: none">a) conduct due diligence at the opening of an account for a correspondent banking client including measures to identify its ownership and management structure, major business activities and customer base, location and the intended purpose of the correspondent account;b) ensure that the correspondent banking client has verified the identity of and performs ongoing due diligence on those customers who have direct access to the correspondent account, and that the correspondent banking client is able to provide customer due diligence information upon request to the authorised firm; andc) monitor transactions processed through such account, in order to detect and report any suspicion of money laundering. <p>The authorised firm must not:</p> <ul style="list-style-type: none">a) establish a correspondent banking relationship with a shell bank;b) establish or keep anonymous accounts or accounts in false names; orc) maintain a nominee account which is held in the name of one person, but controlled by or held for the benefit of another person whose identity has not been disclosed to the authorised firm.

Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.

Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	None stated in local regulations or guidance.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	Qatar Financial Information Unit (www.qfiu.gov.qa)

Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information on the volume of SARs reported is not publicly available.

Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	The regulations require firms to report where they have reasonable grounds to know of or suspect that the funds are the proceeds of criminal conduct or terrorist activities.

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Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	The regulation does not give a minimum or maximum threshold, but rather expresses the obligation of the firm to report where there are reasonable grounds to know of or suspect that the funds are the proceeds of criminal conduct or terrorist activities.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>In the event of non compliance with the reporting requirements, Article 44 of the Qatar Law shall apply:</p> <p>A supervisory authority, in case of a violation of the obligations established under this law by a financial institution, NPO, or DNFP, made intentionally or by gross negligence, is evidenced, may impose one or more of the following measures and sanctions:</p> <ul style="list-style-type: none">a) requesting regular reports on measures it is undertaking;b) requesting compliance with specific instructions;c) sending written warnings;d) replacing or restricting the powers of managers, board members, or controlling owners, including the appointing of an ad hoc administrator;e) barring individuals from employment within a business, profession or activity, either permanently or for a provisional period;f) imposing supervision, suspending license, restricting or withdrawing any other form of permission and prohibiting the continuation of a business, profession or activity;g) imposing financial penalty in an amount no greater than QAR10m.h) any other measures. <p>The supervisory authority shall inform the Unit of the measures and sanctions imposed.</p>
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	The Qatari and QFC law requires firms to have systems in place to enable them to monitor all complex, unusual, large transactions, or unusual patterns of transactions, that have no apparent or visible economic or lawful purpose. The firm must examine as far as possible the background and purpose of all complex, unusual large transactions and make a record of its findings.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	It is not mentioned expressly in the Law or in the QFC Regulations whether a firm is allowed to proceed with the legal advice/transaction in the event that a suspicious transaction report has been filed.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	While the Law or QFC Regulations do not expressly state that transactions should be monitored outside the jurisdiction, it does stipulate that a firm must conduct enhanced customer due diligence measures and enhanced ongoing monitoring for customers from high risk jurisdictions whose line of business is more vulnerable to corruption.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	The first AML law in Oman "Law of Money Laundering" was issued through a Royal Decree No. 34/2002 and published in the Official Gazette No. 716 dated 1 April 2002. The law was notified by CBO circular BM 936 dated 7 April 2002. Executive regulations for the law were issued in 2004 through Royal Decree No.72/2004. Royal Decree 79/2010 issued on 28 June 2010 promulgated Law of Combating Money Laundering and Terrorism Financing. The earlier law is still effective until the time the Executive Regulation under the new law will be issued.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A.
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Central Bank of Oman (CBO) is the primary regulator for AML controls for Banking and other financial institutions (http://www.cbo-oman.org/). The Financial Intelligence Unit (FIU), an independent unit under Royal Oman Police and Capital Market Authority, is also the regulator for AML controls (http://www.fiu.gov.om/ , http://www.cma.gov.om/en/default.aspx).
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Practical guidance in the form of the Manual of Suspicious Transactions Reports is available on the website of FIU-ROP (http://www.fiu.gov.om/files/English.pdf).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	The executive regulations describe transactions that may pose a potential threat for money laundering. These follow a risk based approach by focusing on customers and transactions that pose a larger money laundering threat to financial institutions.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	FATF evaluation in 2011 (http://www.fatf-gafi.org/dataoecd/13/28/48503164.pdf)

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	The regulations do not define any such threshold. However, each company/bank, as a matter of policy, has defined its own threshold.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: <ul style="list-style-type: none">a) customer name (as per identity card, resident card and passport);b) nationality;c) identification documents e.g. residence card/labour card, passport etc.; andd) detailed information on the customer relating to i) postal address and ii) work address. Corporate customers: <ul style="list-style-type: none">a) Articles of Association;b) copies of identification of authorised signatories;c) verification of signatures of authorised signatories through independent sources;d) Ministry of Commerce & Industry certificates; ande) other identification documents as deemed necessary.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	There is no compulsory requirement with regard to independent verification.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The high level requirements for beneficial ownership are similar to those required for any customer.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	PEP, NRI & privileged customers are high risk clients and exposed to high due diligence as compared to normal individuals. Each customer is subject to similar customer due diligence requirements.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	High risk customers and suspicious transactions require enhanced due diligence.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence is always required. For PEPs, approval is required from senior management.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	AML questionnaire developed by each bank is sent to the correspondent bank before entering into relationship. Licenses are requested and efforts are made to ensure they are not shell companies.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Non face-to-face transactions are avoided in most cases. Enhanced due diligence is always required for such relationships.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	SARs are reported directly to FIU-ROP Financial Intelligence Unit - Royal Oman Police. Website: http://www.fiu.gov.om/

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Volume of SARs: 2010 – 103 SARs (FIU-ROP) GDP data is not available for this specific period.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No however, FIU-ROP can investigate any transaction based on its discretion.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Non-compliance in relation to AML regulation may result in a penalty from CBO. FIU-ROP can also investigate the case and impose a penalty.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	AML regulations require companies to use AML software.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Banks and financial institutions are regulated by the Central Bank of Lebanon (www.bdl.gov.lb) and by the Banking Control Commission ("BCC").
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Practical guidance is provided by circular 83 published by the Central Bank of Lebanon (http://www.bdl.gov.lb/circ/circpdf/83.pdf) and by circulars issued by the Special Investigation Committee, an independent legal entity with judicial status responsible for investigating suspicious transactions (http://www.sic.gov.lb).
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Lebanon was subject to a Mutual Evaluation conducted by the MENA (Middle East and North Africa) FATF. The report was issued in November 2009. The link to the report is as follows: http://www.menafatf.org/MER/MutualEvaluationReportoftheLebaneseRepublic-English.pdf .

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	Customer due diligence is required for all new accounts. However a Cash Transaction Slip (CTS) does not need to be completed if a transaction is below USD10,000 or equivalent.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	Individuals: a copy of a passport or identity card and KYC form showing residential / work addresses as well as profession. Legal entities: a copy of articles of incorporation, certificate of registration at the Chamber of Commerce and the identity card of those charged to sign in the name of the entity.
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Copies should be compared to original source documents and should be certified by notaries, if necessary.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	The customer should fill out a form showing the identity of the beneficial owner (name, family name, place of residence, profession and information about his financial situation).
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	There are specific criteria where performing due diligence on transactions above USD10,000 can be avoided, especially in the case of cash businesses. These exemptions should be approved by a special committee established within the bank to combat money laundering activities.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	Additional due diligence measures are required if customers are classified as high risk as per the Central Bank's guidelines.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Additional due diligence is required for PEPs, which are classified as high risk.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	Before establishing a relationship with a correspondent bank, the Bank should check the following: a) the correspondent bank is not a shell bank; b) it actually exists based on submitted documentary evidence; c) it does not deal with shell banks; d) it has a good reputation and is subject to effective controls; and e) It implements sufficient and effective procedures to fight money laundering and terrorist financing.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Transactions in writing: The Bank should verify the client's identity and the authenticity of the signature. Transactions done via an agent: The Bank should obtain an official procuration and the identity cards of the agent and the client.

Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	The Bank should report suspicious activities to the Governor of the Central Bank in his capacity as chairman of the Special Investigation Commission (SIC). The link is as follows: http://www.sic.gov.lb

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Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	<p>Volume of SARs: 2010 – 94 SARs</p> <p>GDP (in current prices): 2010 – USD39,006 million (Source: data.worldbank.org¹)</p> <p>This results in a ratio of 1 SAR for every USD414.9 million of GDP.</p>
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	No unless it is specifically requested by the Central Bank of Lebanon.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	No. All suspicious transactions, regardless of materiality, need to be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Any person who does not comply with the reporting requirements could be imprisoned and subject to a fine in accordance with Law number 318.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	In accordance with circular 83 issued by the Central Bank of Lebanon on combating money laundering and terrorist financing, banks are required to use specialised software to monitor accounts and transactions to which risk indicators apply.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	There is no requirement to obtain an authorisation to proceed with a suspicious transaction unless accounts are specifically requested by the Central Bank to be blocked. In that case, an authorization from the Central Bank is required before transactions are processed on these accounts. In addition, suspicious accounts cannot be closed before consulting with the SIC.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Branches of Lebanese banks are subject to the regulations of the Central Bank of Lebanon and to the regulations of the country of domiciliation. Transactions that are performed by Lebanese banks are subject to the Banking Secrecy Law which can only be lifted by judiciary authorities.

¹ GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars. Dollar figures for GDP are converted from domestic currencies using single year official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2002
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	<ul style="list-style-type: none">a) Banking – Bank of Israel - http://www.bankisrael.gov.il/b) Other financial services:<ul style="list-style-type: none">a. Israel securities authority - http://www.isa.gov.il/b. Ministry of finance - http://ozar.mof.gov.ilc) None.
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes, IMPA (the Israeli Financial Intelligence Unit (FIU)) - http://www.justice.gov.il/MOJEng/Halbanat+Hon
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	Yes.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	Yes, Israel was reviewed in August 2008 by Moneyval. This report is available at : http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Israel_en.asp

Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	No.

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Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Individuals: should obtain name, address, identification number, date of birth and gender. Passports and identity cards are suitable for verification purposes.</p> <p>Corporates: should obtain name, address, identification number, date of incorporation. For controlling shareholders the same information as for individuals should be obtained. Memorandum and Articles of Association and Certificates of Incorporation are suitable for verification purposes.</p>
Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	Document copies should be certified by an appropriate person, for example a notary, lawyer or accountant. In addition, verification in accordance with the Population Registry should be performed.
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	Banks should require the applicants to declare whether they are acting for themselves or on behalf of another. If an applicant declares that he/she is acting on behalf of another, the declaration should include the particulars as set out in the guidance notes in respect of each of the beneficiaries.
Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	Reduced/simplified due diligence arrangements apply for financial institutions which provide financial services, want to open a new account for their beneficial use only and when the institution has an account in the banking corporation.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	The law provides information about customers and distinguishes between Israeli citizens and non Israeli citizens. For non citizens there are legal demands for ensuring all the activities are globally accepted. When opening a correspondent account for a corporation incorporated in a country that is not a member of the OECD, the banking corporation shall also obtain documents detailing the local guidance, and shall retain them for at least seven years after the account is closed. The decision for undertaking enhanced due diligence should be taken and documented in accordance with the risk based approach.
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	Foreign PEPs are automatically considered high risk clients and are subject to additional procedures.
Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The banking corporation should obtain the following:</p> <ol style="list-style-type: none">name;name of the country and supervisory authority;general information (this is the address and telephone number of the corporation and names of persons to contact, according to the Banking Order);name and address of all shareholders above 20%; andlast annual report and 'reaust letter' (letter requesting the opening of an account to be retained for at least 7 years after the account closed). <p>When the correspondent is not from the OECD, the bank should obtain a licence from the supervisory authority, the incorporation documents and letters of reference from banks in OECD member countries that manage accounts of the corporation wishing to open an account. In addition Israeli banks should examine the efforts taken by the correspondent bank to defend against money laundering and terrorist financing.</p>
Q16.	Are relationships with shell banks specifically prohibited?
A16.	Yes – however, where a correspondent bank is related to a supervised banking corporation, engagements are allowed.
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	Where a customer approaches a firm by post, telephone or over the internet, it should carry out non face-to-face verification, either electronically or by reference to documents.

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Reporting

Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	IMPA - the Israeli Financial Intelligence Unit (FIU) - http://www.justice.gov.il/MOJEng/Halbanat+Hon
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information of the volume of SARs reported is not publicly available.
Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	Yes, financial institutions are obliged to report cases such as unusual transactions, cash transactions above ILS50,000, international wire transfers to high risk countries, withdrawal of money which is not in line with usual pattern of business etc. There is a list published by the regulators which provides examples of what suspicious behaviour might look like.
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	At most financial institutions transactions under ILS50,000 do not need to be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	Yes, the regulators can fine the controlled institutions. The maximum fine that controlled/supervised institutions can face is ILS2,260,000 for each violation.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	No, although several institutions use automated suspicious transaction monitoring technology.
Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	The regulators only require that monitored institutions report the transaction to the FIU – there is no requirement to wait for the authority to proceed.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	No.



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General

Q1.	In what year did the relevant AML laws and regulations become effective?
A1.	2001 (amended 2006). The Anti Money Laundering & Terrorist Financing Unit ("AMLTFU") was established in July 2002, under the direct control of the Ministry of the Interior. The AMLTFU is the money laundering enforcement unit in the Kingdom of Bahrain responsible for receiving, requesting, analysing and disseminating disclosures of financial information to the investigatory and supervisory authorities concerning suspected proceeds of crime and alleged money laundering.
Q2.	If the AML laws and/or regulations became effective in the last 2 years, what were the requirements of the previous AML regime?
A2.	N/A
Q3.	Who is the regulator for AML controls for: (a) Banking; (b) Other financial Services; (c) Non financial sector (e.g. casinos, high value goods etc.). Please include link to the regulator(s) website.
A3.	Central Bank of Bahrain (CBB) is responsible for enforcing AML controls for CBB licensed institutions including banks and other institutions in the financial services sector. The Ministry of Industry and Commerce is responsible for enforcing AML controls for the non financial sector. http://www.cbb.gov.bh .
Q4.	Is there any practical guidance provided to firms by public authorities regarding AML requirements, beyond the FATF recommendations and local legislation? Please include link to website, where available.
A4.	Yes. CBB website for information on AML & Combating the Financing of Terrorism ("CFT"): http://www.cbb.gov.bh/page.php?p=aml_cf The Ministerial Order No.23 of 2002:
Q5.	Is there a requirement to retrospectively verify the identity of customers before the date the new AML regime was introduced?
A5.	No.
Q6.	Is a risk based approach approved by the local regulator(s)?
A6.	Yes, the Central Bank of Bahrain (CBB) uses a risk based approach to customer due diligence and ongoing monitoring through its rulebooks. The CBB requires banks to have effective anti-money laundering policies and procedures in addition to measures for combating the financing of terrorism.
Q7.	Has the country been the subject of a FATF (or FATF-style) Mutual Evaluation or IMF assessment exercise in the last three years? If yes, please find a link to a relevant report (if publicly available).
A7.	No, Bahrain's compliance with international AML/CFT standards was assessed by the International Monetary Fund in 2005, as part of a financial sector assessment programme review of the Kingdom. The report was approved by the IMF in January 2006. The same report was subsequently discussed and endorsed by the MENA-FATF in November 2006.

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Customer due diligence

Q8.	Are there minimum transaction thresholds, under which customer due diligence is not required? If Yes, what are the various thresholds in place?
A8.	<p>Yes.</p> <p>Financial institutions: The Financial Crime module of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that a bank must implement customer due diligence measures when:</p> <ul style="list-style-type: none">a) Establishing business relations with a new or existing customer;b) A change to the signatory or beneficiary of an existing account or business relationship is made;c) A significant transaction takes place;d) There is a material change in the way that the bank account is operated or in the manner in which the business relationship is conducted;e) Customer documentation standards change substantially;f) The bank has doubts about the veracity or adequacy of previously obtained customer due diligence information;g) Carrying-out one-off or occasional transactions above BHD6,000, or where several smaller transactions that appear to be linked fall above this threshold;h) Carrying out wire transfers irrespective of amount; ori) There is a suspicion of money laundering or terrorist financing. <p>Non financial institutions: Article 4 of Ministerial Order No.23 of 2002 () exempts the following transactions from customer due diligence:</p> <ul style="list-style-type: none">a) the transaction or transactions which total less than BHD10,000;b) transactions related to life insurance if the premiums are paid through an account opened for the customer in a local bank; andc) transactions related to a retirement scheme if they arise from the Insured's occupation or contract of employment or if the amount of subscriptions is paid through an account opened for the customer in a local bank.
Q9.	What are the high level requirements for verification of customer identification information (individuals and legal entities)?
A9.	<p>Financial institutions: The Financial Crime module (FC – 1.2) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that banks must obtain and record the following information, where applicable:</p> <p>In the case of natural person: Full legal name and any other names used / Full permanent address / Date and place of birth / Nationality / Passport number / CPR or residency number / Telephone/fax number / email address / Occupation or public position held / Employer's name and address (if self-employed, the nature of the self-employment) / Type of account and nature and volume of anticipated business dealings with the conventional bank licensee/Signature of the customer(s) / Source of funds.</p> <p>In the case of legal entities: The entity's full name and other trading names used / Registration number (or equivalent) / Legal form / Registered address and trading address / Type of business activity / Date and place of incorporation or establishment / Telephone, fax number and email address / Regulatory body or listing body (for regulated activities such as financial services and listed companies) / Name of external auditor / Type of account, and nature and volume of anticipated business dealings with conventional bank licensees/ / Source of funds.</p> <p>The information obtained must be verified in accordance with CBB requirements as per FC – 1.2.4 to FC – 1.2.6 and FC – 1.2.8.</p> <p>Non financial institutions: Article 4 of Ministerial Order No.23 of 2002 () identifies details to be established and kept on record for non financial institutions where applicable:</p> <p>In the case of natural persons: Customer's full name / Date of birth / Nationality / Full details of the identity card or passport / Central Population Register (CPR) Card number (if any) / Occupation / Usual residence address / Employer's name and address.</p> <p>In the case of a corporate client: Customer's full name / Legal status / Registration number and place / Address of the head office and branches (if any) / Names of board members / Legal representative of the corporate person and his identification. The Memorandum and Articles of Association and the Power of Attorney must also be verified for incorporated activities.</p>

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Q10.	Where copies of identification documentation are provided, what are the requirements around independent verification or authentication?
A10.	<p>Financial institutions: The Financial Crime module (FC – 1.2.4 and FC - 1.2.5) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that an authorised official of the licensee must certify copy documents, by viewing the original and writing on the copy the words 'original sighted', together with the date and a signature. Equivalent measures must be taken for electronic copies. Identification documents which are not obtained by an authorised official of the licensee in original form must instead be certified by one of the following from a Gulf Cooperation Council (GCC) or FATF member state: a lawyer; a notary; a chartered/certified accountant; an official of a government ministry; an official of an embassy or consulate; or an official of another licensed financial institution or of an associate company of the licensee.</p> <p>Non financial institutions: Article 4 of Ministerial Order No.23 of 2002 () details that before establishing any business relationship, registered persons shall establish the identities of their customers, representatives and beneficiaries from the transaction by using all the reasonable methods and adopt all the possible precautions to ascertain the validity of documents or details concerning their identities.</p>
Q11.	What are the high level requirements around beneficial ownership (identification and verification)?
A11.	<p>Financial institutions: The Financial Crime module (FC – 1.1.5 to FC - 1.1.7 and FC - 1.6.1) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that banks must obtain a signed statement from all new customers confirming whether or not the customer is acting on their own behalf. This undertaking must be obtained prior to conducting any transactions with the customer concerned.</p> <p>Where a customer is acting on behalf of a third party, the bank must also obtain a signed statement from the third party, confirming they have given authority to the customer to act on their behalf. Where the third party is a legal person, the bank must have sight of the original board resolution (or other applicable document) authorising the customer to act on the third party's behalf, and retain a certified copy. Banks must establish and verify the identity of the customer and (where applicable) the party/parties on whose behalf the customer is acting, including the beneficial owner of the funds.</p> <p>Financial services must not be provided to charitable funds and religious, sporting, social, cooperative and professional societies, until an original certificate authenticated by the relevant Ministry confirming the identities of those purporting to act on their behalf (and authorising them to obtain the said service) has been obtained.</p> <p>Non financial institutions: Ministerial Order No.7 of 2001 (requires each institution to verify a customer's identity and his source of funds and obtain proof that:</p> <ol style="list-style-type: none">Establishes the customer's identity;Establishes that the source of funds is as claimed by the customer;Determines the customer's address, date of birth and nationality. If the customer is an agent of a business or firm subject to the supervision of a controlling authority and resides in a country that has similar laws for prohibition and combating money laundering, it may be sufficient evidence to receive written confirmation from the customer of the availability of proof of the principal's identity, its registration and maintenance thereof.

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Q12.	In what circumstances are reduced/simplified due diligence arrangements available?
A12.	<p>Financial institutions: The Financial Crime module (FC – 1.11) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that banks may apply simplified due diligence if the customer is:</p> <ol style="list-style-type: none">The customer is the CBB, the Bahrain Stock Exchange ("BSE") or a licensee of the CBB;The customer is a Ministry of a Gulf Cooperation Council ("GCC") or Financial Action Task Force ("FATF") member state government, a company in which a GCC or FATF government is a majority shareholder, or a company established by decree in the GCC;The customer is a company listed on a GCC or FATF member state stock exchange (where the FATF state stock exchange has equivalent disclosure standards to those of the BSE);The customer is a financial institution whose entire operations are subject to AML/CFT requirements consistent with the FATF recommendations / special recommendations and it is supervised by a financial services supervisor in a FATF or GCC member state for compliance with those requirements;The customer is a financial institution which is a subsidiary of a financial institution located in a FATF or GCC member state, and the AML/CFT requirements applied to its parent also apply to the subsidiary;The customer is a borrower in a syndicated transaction where the agent bank is a financial institution whose entire operations are subject to AML/CFT requirements consistent with the FATF recommendations / special recommendations and it is supervised by a financial services supervisor in a FATF or GCC member state for compliance with those requirements;The transaction is a one-off or occasional transaction not exceeding BHD6,000 (or equivalent in other currencies), or one of a number of transactions which are related and, when taken together, do not exceed BHD6,000 per year (or equivalent in other currencies). <p>Non financial institutions: Article 4.7 of Ministerial Order No.7 of 2001 (specifies that procedures for proving a customer's identity and sources of funds of the following shall not be applicable if:</p> <ol style="list-style-type: none">The customer is an organisation affiliated to or under the supervision of the Ministry of Commerce and Industry, the Bahrain Stock Exchange, the Ministry of Justice or if it is a company in which the government has a majority stake, or if it is a company incorporated by virtue of a law or decree;The subject matter of the transaction is the payment of sums by the customer or on his behalf through another organisation;A separate significant transaction takes place with or for the account of a third party with the intervention of a person who is subject to a supervisory authority, who has provided confirmation that the identity of the third party has been established and registered according to the custody procedures of such person;The customer purchases a stake in a collective investment venture.
Q13.	In what circumstances are enhanced customer due diligence measures required?
A13.	<p>The CBB Rulebook Volume 1, Financial Crime module FC – 1.3 to FC 1.8 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that enhanced customer due diligence must be performed on those customers identified as having a higher risk profile and additional enquiries made or information obtained in respect of those customers. Specific conditions that give rise to a higher risk profile include: Instances where there is non-face-to-face business; dealing with Politically Exposed Persons ("PEPs"); dealing with charities, clubs and other societies; dealing with a professional intermediary who manages pooled funds; and dealing with a correspondent bank.</p>
Q14.	In what circumstances is additional due diligence required for Politically Exposed Persons ('PEPs')?
A14.	<p>The Financial Crime module (FC – 1.5) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that Banks must have appropriate risk management systems to determine whether a customer is a PEP, both at the time of establishing business relations and thereafter on a periodic basis. Banks must utilise publicly available databases and information to establish whether a customer is a PEP.</p> <p>Banks must establish a client acceptance policy with regard to PEPs, taking into account the reputational and other risks involved. Senior management approval must be obtained before a PEP is accepted as a customer. Where an existing customer is a PEP, or subsequently becomes a PEP, enhanced monitoring and customer due diligence measures must include:</p> <ol style="list-style-type: none">analysis of complex financial structures, including trusts, foundations or international business corporations;a written record in the customer file to evidence that reasonable measures have been taken to establish both the source of wealth and the source of funds;development of a profile of anticipated customer activity, to be used in ongoing monitoring;approval of senior management for allowing the customer relationship to continue; andon-going account monitoring of the PEP's account by senior management (such as the Money Laundering Reporting Officer ("MLRO")).

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Q15.	What enhanced due diligence must be performed for correspondent banking relationships (cross-border banking and similar relationships)?
A15.	<p>The Financial Crime module (FC – 1.8) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that Banks must implement the following additional measures, prior to opening a correspondent banking relationship:</p> <ol style="list-style-type: none"> Complete a signed statement that outlines the respective responsibilities of each institution in relation to money laundering detection and monitoring responsibilities; and Ensure that the correspondent banking relationship has the approval of senior management. <p>Banks which intend to act as correspondent banks must gather sufficient additional information (e.g. through a questionnaire) about their respondent banks to understand the nature of the respondent's business. Factors to consider include:</p> <ol style="list-style-type: none"> Information about the respondent bank's ownership, structure and management; Major business activities of the respondent and its location (i.e. whether it is located in a FATF compliant jurisdiction) as well as the location of its parent (where applicable); Where the customers of the respondent bank are located; The respondent's AML and Combating the Financing of Terrorism ("CFT") controls; The purpose for which the account will be opened; Confirmation that the respondent bank has verified the identity of any third party entities that will have direct access to the correspondent banking services without reference to the respondent bank; The extent to which the respondent bank performs on-going due diligence on customers with direct access to the account, and the condition of bank regulation and supervision in the respondent's country (e.g. from published FATF reports). Banks should take into account the country where the respondent bank is located and whether that country abides by the FATF 40+ 9 recommendations when establishing correspondent relationships with foreign banks. Banks should obtain where possible copies of the relevant laws and regulations concerning AML/CFT and satisfy themselves that respondent banks have effective customer due diligence measures consistent with the FATF 40+ 9 recommendations; Confirmation that the respondent bank is able to provide relevant customer identification data on request to the correspondent bank; and Whether the respondent bank has been subject to a money laundering or terrorist financing investigation.
Q16.	Are relationships with shell banks specifically prohibited?
A16.	<p>Yes. The Financial Crime module (FC – 1.10) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that Banks must not establish business relations with banks which have no physical presence or 'mind and management' in the jurisdiction in which they are licensed and which is unaffiliated with a regulated financial group. Banks must not knowingly establish relations with banks that have relations with shell banks.</p>
Q17.	In what circumstances is additional due diligence required for non face-to-face transactions and/or relationships?
A17.	<p>The Financial Crime module (FC – 1.4) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) states that where no face-to-face contact takes place, banks must take additional measures in order to mitigate the potentially higher risk associated with such business. In particular, banks must take measures to ensure that the customer is the person they claim to be and that the address provided is genuinely the customer's. There are a number of checks that can provide a bank with a reasonable degree of assurance as to the authenticity of the applicant:</p> <ol style="list-style-type: none"> Telephone contact with the applicant on an independently verified home or business number; With the customer's consent, contacting an employer to confirm employment, via phone through a listed number or in writing; and Salary details appearing on recent bank statements.
Reporting	
Q18.	To whom are Suspicious Activity Reports (SARs) made? Please include a link to their website.
A18.	<p>For licensees registered under the CBB, SARs must be simultaneously sent to both the CBB (www.cbb.gov.bh) and the Anti Money Laundering & Terrorist Financing Unit ("AMLTFU") ().</p> <p>For licensees registered under the Ministry of Industry and Commerce, SARs must be simultaneously sent to both the MOIC (http://www.moic.gov.bh/Moic/En/Legal) and the AMLTFU.</p>
Q19.	What was the volume of SARs made to the authorities in the most recent year? Please state the GDP for the equivalent year.
A19.	Information of the volume of SARs is not publicly available.

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Q20.	Are there any obligations to report anything more than suspicious transactions e.g. unusual transactions, cash transactions above a certain threshold, international wire transfers, other transactions etc.?
A20.	<p>Financial Institutions: The Financial Crime module (FC – 5.1.1) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) specifies that banks must implement procedures to ensure that staff who handle customer business (or are managerially responsible for such staff) make a report promptly to the MLRO if they know or suspect that a customer (or a person on whose behalf a customer may be acting) is engaged in money laundering or terrorism financing, or if the transaction or the customer's conduct otherwise appears unusual or suspicious. These procedures must include arrangements for disciplining any member of staff who fails, without reasonable excuse, to make such a report.</p> <p>Non financial institutions:</p> <p>Ministerial Order No.7 of 2001 Article 4.9) specifies that all institutions shall report to the Anti Money Laundering Unit any suspicious or extraordinary transactions regardless of the value of amounts subject to the transaction.</p>
Q21.	Are there any de-minimis thresholds below which transactions do not need to be reported?
A21.	A transaction needs to be reported if it is above BHD6,000 or where several smaller transactions that appear to be linked fall above this threshold. If the transactions fall below this threshold, they do not need to be reported.
Q22.	Are there any penalties for non compliance with reporting requirements e.g. tipping off?
A22.	<p>Article 3.4 and Article 3.5 of Law No. (4) of 2001 (http://cbb.complinet.com/file_store/pdf/rulebooks/AppendixFC1.pdf) specifies that:</p> <ol style="list-style-type: none">Any person who commits any of the offences related to money laundering shall be liable to imprisonment for a period not exceeding two (2) years and/or a fine not exceeding BHD50,000 or both.Any person who contravenes the provisions of Regulations and Ministerial Regulations issued under this law shall be liable to imprisonment for a period not exceeding three (3) months or a fine not exceeding BHD 20,000 or both.
Q23.	Are there any requirements (legal or regulatory) to use automated Suspicious Transaction monitoring technology?
A23.	<p>The Financial Crime module (FC – 2.1 and FC – 2.2) of CBB Rulebook Volume 1 (http://cbb.complinet.com/cbb/display/display.html?rbid=1820&element_id=5272) specifies that banks must take reasonable care to establish and maintain appropriate systems and controls to limit their vulnerability to financial crime. These systems and controls must be documented, and approved and reviewed annually by the Board of the bank. The documentation and the Board's review and approval, must be made available upon request to the CBB.</p> <p>Banks must develop risk-based monitoring systems appropriate to the complexity of their business, their number of clients and types of transactions. These systems must be configured to identify significant or abnormal transactions or patterns of activity. Such systems must include limits on the number, types or size of transactions undertaken outside expected norms; and must include limits for cash and non-cash transactions.</p> <p>The banks' risk-based monitoring systems should therefore be configured to help identify:</p> <ol style="list-style-type: none">Transactions which do not appear to have a clear purpose or which make no obvious economic sense;Significant or large transactions not consistent with the normal or expected behaviour of a customer; andUnusual patterns of activity (relative to other customers of the same profile or of similar types of transactions, for instance because of differences in terms of volumes, transaction type, or flows to or from certain countries), or activity outside the expected or regular pattern of a customer's account activity. <p>Banks must consider the need to include automated transaction monitoring as part of their risk-based monitoring systems to spot abnormal or unusual flows of funds. In the absence of automated transaction monitoring systems, all transactions above BHD6,000 must be viewed as significant and be captured in a daily transactions report for monitoring by the MLRO or a relevant delegated official, and records to be retained by the bank for five years after the date of the transaction.</p>

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Q24.	Is there a requirement to obtain authority to proceed with a current/ongoing transaction that is identified as suspicious?
A24.	No, unless the bank is specifically requested by the CBB to do so.
Q25.	Does the local legislation allow transactions to be monitored outside the jurisdiction?
A25.	Article 8 of Law No. (4) of 2001 (http://cbb.complinet.com/file_store/pdf/rulebooks/AppendixFC1.pdf) states that where a foreign state makes a request for specific information relating to suspicious transactions, persons and corporations involved in those transactions or the investigation or prosecution of a money laundering offence, the AMLTFU shall execute the request or inform the foreign state of any delay in or the reason for not executing the request.



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