

Circular no. 3

Anti- Money Laundering (AML) Division

Subject: Instructions regards method of implementing specific monitor and supervise pursued to provide basic service for non-native political persons in financial institutions

Target:

Regards too AML and terrorist financing and meanwhile effective taking measures to implement executive regulations of AML (General circular no. 91 issued by audit ,supervision and legal departments)the instruction for method of how to implement effective supervision and monitor regards non-native political persons while providing in basic services(financial institutions) shall notify as follow:

Article1-Non-native natural persons: It refers to persons who lack to have Iranian nationality. Thereto persons have valid identification of relevant country and having valid Iranian visa or residence permit. Regards to foreign refugee the identity card specifically for non-native people and deferred term passport issued by the Ministry of Interior of the Islamic Republic.It is for foreign asylum seekers having valid book asylum issued by I.R.I police.

1-1-The Foreign political person

It is foreign political natural persons whose condition has conformity with at least one of following cases:

1-2-Who has holder of official political title in thereto country or on behalf of thereto having diplomatic position in the other countries.

1-3-They have political factional reputation nevertheless thereto no title in relevant country and doing political activities in thereto country or vice versa.

1-4-It is persons who having official position in int'l or inter-governmental organizations.

1-5-Special political persons: it refers to political persons mentioned previous paragraph (paragraph 1-1) and other foreign political persons pursuant to militia, military or ethnic groups who have following condition:

A-Wanted by Interpol,

B-Wanted based on the provisions on extradition,

C-Under UN Security Council sanctions,

Note: Instances of foreign political persons and thereto specific foreign political persons' name shall be updated by central bank and subsequently will be introduced to different branches.

Article 2- It is upon branch duty while providing basic services specifically below mentioned services to foreign political persons, the instructions content in thereto provision shall be observed:

1- Opening, blocking and closing partial or whole of deposit, current saving account;

2- Opening, blocking and closing partial or whole of deposit, saving deposit and deferred investing deposit account,

Note 1-It is necessary to have letter issued by the foreign affair protocol department pursuant to introduce foreign natural person or legal entity for providing basic services and operations.

Note 2-Providing all basic services for special foreign political persons shall be forbidden. If there exists any before thereto instruction, it shall be necessary to report herein matter promptly to AML. So after performing general review, the branch shall be notified how to proceed.

Note 3-Providing basic services for foreign political persons are permitted nevertheless thereto matters shall be reported to AML promptly.

Article 3- Upon conditions of the foreign political person refusing to receive the basic service and quitting providing herein service thereof (as forfeit account, settle the facilities and like), it shall be necessary to report matters thereto to AML promptly.

Opening current saving deposit account

Article 4- Opening current saving deposit account for foreign political persons is possible only based on framework of instruction contents' regards how financial institutions identify foreign political persons in particular, basic one.

Article 5- For opening current saving deposit account regards to foreign political person, it is upon branch duty to monitor herein matter pursuant to determine the category of applicant person upon concerned foreign person instruction:

5-1- It shall be absolutely forbidden to open current account regards special foreign political persons.

5-2- If foreign political person original native country is among whose exposure to AML and organized crimes is high, it shall be necessary to get permission from AML department prior to open account thereto.

5-3- In the event, if foreign political persons are subjected to contents of any two previous paragraphs, it shall be necessary to report herein matters by Indicating accelerated so after performing general review, the branch shall be notified how to proceed.

Article 6- It is upon branch duty to take necessary measures for controls of ensuring lack of applicant identification compliance with which persons are not permitted to open current account thereof. (Including persons according to the orders of the judicial authorities have blacklisted due to check playoff)

Article 7-It is upon branch duty prior to open current account, to identify number of applicant current accounts in the whole state banking system and by means of mechanism anticipated acquire information thereto. Besides to identify the applicant with numerous current accounts, the possibility exists which person thereto has no liability to open a current account. Bank shall design and apply necessary monetary activities pursuant to framework guidelines for internal effective systematic control relevant to financial institutions subject to circular no. B/1176 dated 31.03.1386 central bank of I.R.I.

Open saving deposit and investment Term Deposit account

Article 8- Meanwhile opening saving deposit account and investment Term Deposit account, it is upon branch duty to apply the basic identification thereto **based on the instruction of financial institution foreign customer identification method**. Regards to opening saving deposit and differed investment accounts, there shall be no necessity for applicant permanent residency.

Account closing and forfeiting:

Article 9-The accounts mention in herewith instruction shall be closed under following conditions:

1-9-Written request of the applicant;

2-9- Upon judicial determination by the courts of I.R.I.;

3-9- Upon judicial warrant issued by foreign courts post central bank confirmation;

4-9- If ordering by international authorities post central bank confirmation;

Note: Blocking of a/m accounts fund, it shall be possible only on conditions mentioned on paragraphs (2-9),(3-9) and (4-9).It shall be upon branch duty to close and or block foreign political persons account while as reporting whole case to central bank.

General requirements:

Article 10-It is upon branch duty to report basic services provided for foreign political persons to AML department.

Article 11-Branch shall observe contents of herein instruction-regulations regards method of opening, closing and forfeiting current account supervising all Iranian and foreign natural persons- to do same concerning foreign political persons.

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