

Circular no. 4

Anti- Money Laundering (AML) Division

Subject: Instructions regards method of identifying foreign customer in financial institutions

Target:

Regards to 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:

Description:

-Exclusive number: It is an exclusive number which allocated each natural person and legal entity printing as barcode on valid document.

Foreign person's national information database: It is the reference to determine the specific number for natural person and legal entity related to I.R.I.

1-Foreign natural persons: It refers to persons who lack having Iranian nationality. Thereof has holder of thereto country valid identification documents-passport-and having valid Iranian visa or residence permit, regarding foreign refugees includes valid foreigners' exclusive identification card or deferred passport (AMAYESH) issued by I.R.I Ministry of Interior and regards to foreign refugees' valid asylum ID card thereto job is done by NAJA.

1-1-Foreign legal entity:

It includes persons as follow:

A) It refers to institutions, company and active branch that shall be registered abroad.

Note: The represented office and branches of foreign institution company who has been registered by Companies Registration Office are included as Iranian legal entity.

B) Iran Political represented office residency including Consular Office and embassies,

P) Int'l official represented office residents in State thereof approved by Ministry of Foreign Affairs.

T) Foreign NGO offices have activity authority of I.R.I interior ministry.

2-Valid identification documents:

1-2-Foreign natural persons:

***Valid passport:** It refers to passport which expiry date shall not be due and having valid authenticated residency.

Note 1: Valid authenticated residency includes:

1- Valid residence permit shall be inserted in passport by I.R.I police (NAJA);

2-Visa with valid date issued by foreign ministry inserted in passport by I.R.I police (NAJA);

3- Passport of Visa Waiver Agreement with Iran nationals having entry stamp expires at most for one month from day of entry;

4- Foreign nationals' extendable passport issued by I.R.I police (NAJA).

Note 2: Residence permit or visa of Iran inserted in service or political passports shall be issued by foreign ministry.

- Valid refugee asylum ID card issued by I.R.I police (NAJA);
- Valid identification card issued by interior ministry;
- Valid Deferred passport (AMAYESH) issued by interior ministry;

Note 3: Refugee asylum ID, identification card and trial one validity pursuant to not due to expiry date.

Article 2-Foreign legal entities:

- Foreign ministry certificate regards to Int'l organizations and states political represented office;
- Interior ministry certificate regards foreign NGOS;
- Registration documents of other foreign legal entities registered thereto, registry date, and number and thereof activity subject shall be notified.

1—2-Identity specification:

2-2-Natural persons: It includes name, sur-name, parent name, date of birth, native country, ID no., ID type, nationality, gender, and exclusive no.

Note: Regarding foreign Arab ethnic, paternal name is part of identification and acquiring parent names shall have no necessity.

2-3-Legal entity: Name, nationality, sphere of activity, type of activity, registration number, place of registration, date of registration, exclusive number.

Note: Herewith instruction includes the least information regards methods of identifying foreign person's authenticated documents. I.R.I Central Bank shall take measures to provide and broadcast guideline regards customers identification whereas deems appropriate.

Furthermore for complexity nature of determining authentication and validity of documents 'Providing by foreign natural persons and legal entities, it shall be necessary for branch staff to verify the matter case by case through interacting with AML "SAHA" system.

Note: Regards compliance operation thereto foreign transient customer documents has been done in branch place so it shall be necessary for deployment of needed experience staff in each branch.

Customer acceptance policy:

Article 3-It is upon branch duty having clear and specific criteria for customer acceptance. Herein criteria shall be observed following:

3-1--opening any account pursuant to customer basic identification upon documents and identification papers, residence permit, authorized residency and activity in Iran and thereto regulation shall be included herein instruction.

3-2-It is upon branch duty to establish authentication of customer and representative (guardian, heir, Iranian or foreign lawyer) identity through the compliance of thereof declaration with valid authenticated documents upon thereto regulation of herewith instruction.

3-3-Prior to opening account, the branch shall take measure to implement necessary supervision pursuant to ensuring lack of compliance of account applicant's with foreign' identification who opening account thereof shall not be permitted.

3-4-The branch shall be obliged to prevent opening account for natural person or legal entity who does not provide authenticated documents for residing in Iran.

3-5-It is upon branch duty to report AML regards to customer who attempted to declare unreal information.

Article 4-It is upon branch duty regarding foreigners who has asylum documents issued by NAJA, exclusive ID card for foreigners and deferred passport (AMAYESH) issued by interior ministry, only providing retail banking services like as open saving deposit, investment deposit accounts and clearing check post customer primary identification.

Note: Providing any ATM cards and any e-bank services regards a/m persons is forbidden.

Article 5- It is permitted to provide all banking services for foreigners having passport and valid resident certificate.

Article 6-If for some reason as customer lack of cooperation, it is not possible for branch to acquire necessary information or customer commit to provide unreal information, the branch shall obliged to prevent providing services thereof post clearing the matter for said person.

Customer identification policy:

Customer identification shall be categorized into two types of primary and basic services. Based on type of banking services provided thereof. Branch shall observe customer identification policy instruction while as providing bank services for foreign customers besides complying with thereto instruction. Therefore it shall be upon branch duty while as providing all credit and bank services (basic and primary) for foreign customer including transient or permanent one, any monetary and banking operations (even less than stipulated cash limit) including any payment money transfer, issuing check, providing financial facilities, issuing ATM cards (credit/debit), issuing L/G, foreign exchange, deposit certificates and bond, L/G acceptance, accept the obligations of guarantors in any form as signature, promissory notes, bills of exchange and letters of credit commit to identify foreign customer as contents of herein instruction and submit thereto information in system'.

Note: Payment of government bills and utilities less than stipulated cash limit shall not be obliged to identify customer.

Primary customer identification (natural person, legal entity):

Article 9- It shall be upon branch duty to commit customer primary identification while as providing retail banking services to acquire customer, representative(guardian, heir, Iranian or foreign lawyer) identification features and post compliance with thereto authenticated documents, registering thereof.

Note: Regards legal entity, it shall be necessary to attempt for basic identification.

Basic customer identification (natural/legal entity):

Providing basic service for foreign persons (natural/legal entity), beside attempting primary identification

Basic identification of foreign natural persons

Article 10-Attempting to implement basic identification of foreign persons, thereto ranch staffs shall be obliged to fill out form no.1 attached to herein instruction and then scan or copy of authenticated foreign natural person's documents shall submit to AML department. Until said department, post attempting inquiry shall issue opening account order. Prior receiving authentication, it shall be permitted for branch just to receive fund from account holder and doing the else shall be obliged to receive authority. If AML department prevent to issue thereto authority, it shall be necessary for branch take measure upon the order.

Basic identification of foreign legal entities

Article 11-Regards to basic identification of foreign legal entities, it shall be necessary to fill out attached no.1 form and accompanied with copy or scan of authenticated foreign legal entities documents submit to AML department...

..... In order to apply for branch's authority opening account and activity thereto. The branch has just the authority of deposit to account and providing other banking services pursuant to issuing authentication. In case of non-acceptance, the branch shall be obliged to take measure upon thereto unit issued order.

Note: Regards foreign company, branch and represented offices thereto in Iran and beside foreign NGOs, it shall be necessary to acquire basic identification of natural persons holder of account signature, foreign officials with right of traveling to Iran (as described about natural persons) and identification of board of directors and senior manager of similar organization of each thereof abroad (as described regards natural persons except resident license no. and visa and address thereto), description of abroad headquarter thereto-**upon contents of forms number one and two-**

Article 12-Regards foreign customer basic identification (natural, legal entity), the branch shall be obliged to demand thereof the same information (upon the condition) as what getting out regards basic identification of national persons (legal, natural) and prior documenting thereto files the record.

Continuant monitoring accounts:

Article 13-The branch has responsibility for opening account regards foreign natural and legal entities, thereof shall be obliged to provide summary of foreign customer account turnover once every three month through E-SYSTEM to AML for beside applying continuant monitoring pursuant to herein instruction, accordingly residence statue and condition, legal and illegal activity of foreign natural and legal entities in IRAN, the necessary supervision shall be undertaken, on occasion of changing conditions refereed, notification shall be made to branches thereto.

Other articles:

Article 14-It shall be a must to observe other noted items of instruction regards method of identifying national customer of credit institutions concerning foreign legal and natural entity.

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