

MODULE	FC: Financial Crime
CHAPTER	FC-1: Customer Due Diligence

FC-1.12 Simplified CDD: For entities Operating under Regulatory Sandbox

General Requirements

FC-1.12.1

Conventional bank licensees must understand, and as appropriate, obtain information on the purpose and intended nature of the business relationship.

FC-1.12.2

Conventional bank licensees must establish specific procedures for verifying the identity of their customers and the source of their funds where no face to face contact takes place.

FC-1.12.3

Conventional bank licensees must not commence a business relationship or undertake a transaction with a customer before completion of the relevant customer due diligence measures specified in this Section.

FC-1.12.4

Conventional bank licensees must conduct ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.

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Face to Face Business

FC-1.12.7

Conventional bank licensees must obtain and record the following information from original identification documents, databases or websites, in hard copy or electronic form, to verify the customer's legal existence and structure:

- (a) The entity's full name and other trading names used;
- (b) Registration number (or equivalent);
- (c) Legal form;
- (d) Registered address and trading address (where applicable);
- (e) Type of business activity;
- (f) Date and place of incorporation or establishment;
- (g) Telephone, fax number and email address;
- (h) Type of account, and nature and volume of anticipated business dealings with the licensee; and
- (i) Source of funds.

FC-1.12.8

The information provided under Paragraph FC-1.12.7 must be verified by obtaining certified copies of the following documents, as applicable (depending on the legal form of the entity):

- (a) Certificate of incorporation and/or **electronic** certificate of commercial registration or trust deed;
- (b) Partnership agreement;
- (c) Identification documentation of the authorised signatories of the account; and
- (d) Where applicable, copy of the latest financial report and accounts, audited (audited copies do not need to be certified);
- (e) **Copy of CBB's approval to operate under the CBB's Regulatory Sandbox.**

FC-1.12.9

Documents obtained to satisfy the requirements in Paragraph FC-1.12.8 above must be certified in the manner specified in Paragraphs FC-1.12.11 to FC-1.12.13 below.

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FC-1.12.10 For the purpose of Paragraph FC-1.12.8(a), the requirement to obtain a certified copy of the commercial registration, may be satisfied by obtaining a commercial registration abstract printed directly from the Ministry of Industry, Commerce and Tourism’s website, through “SIJILAT Commercial Registration Portal”.

FC-1.12.11 Any document copied for the purpose of identification verification must be an original. An authorised official of the licensee must certify the copy, by writing on it the words ‘original sighted’, together with the date and his signature. Equivalent measures must be taken for electronic copies.

FC-1.12.12 Identity documents which are not obtained by an authorised official of the licensee in original form (e.g. due to a customer sending a copy by post following an initial meeting) must instead be certified (as per FC-1.12.11) by one of the following from a GCC or FATF member state:

- (a) A lawyer;
- (b) A notary;
- (c) A chartered/certified accountant;
- (d) An official of a government ministry;
- (e) An official of an embassy or consulate; or
- (f) An official of another licensed financial institution or of an associate company of the licensee.

FC-1.12.13 The individual making the certification under FC-1.12.12 must give clear contact details (e.g. by attaching a business card or company stamp). The conventional bank licensee must verify the identity of the person providing the certification through checking membership of a professional organisation (for lawyers or accountants), or through checking against databases/websites, or by direct phone or email contact.



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Non Face To Face Business and Technologies

FC-1.12.14 Where no face-to-face contact takes place, conventional bank licensees must take additional measures in order to mitigate the potentially higher risk associated with such business. In particular, licensees must take measures:

- (a) To ensure that the customer is the person they claim to be **(this can be done through video conferencing)**; and
- (b) To ensure that the address provided is genuinely the customer's.

FC-1.12.15 There are a number of checks that can provide a conventional bank licensee with a reasonable degree of assurance as to the authenticity of the applicant. They include:

- (a) Telephone contact with the applicant on an independently verified home or business number;
- (b) With the customer's consent, contacting an employer to confirm employment, via phone through a listed number or in writing; and
- (c) Salary details appearing on recent bank statements.

FC-1.12.16 Financial services provided via post, telephone or internet pose greater challenges for customer identification and AML/CFT purposes. Licensees must establish procedures to prevent the misuse of technological developments in money laundering or terrorist financing schemes. Licensees must also ensure that they comply with any e-commerce laws and/or CBB Modules issued from time to time.