

## **Instruction on Identification of Iranian Customers of Credit Institutions**

### **Purpose**

In order to combat money-laundering and financing of terrorism and to provide the necessary arrangements for the implementation of article 14 (8) of the National Banking and Monetary Act (of July 1972, and amendments thereto), and article 7 (A) of the Anti-Money Laundering Act of 22 January 2008, and chapter 2 of the implementing regulations of the Anti-Money Laundering Act of 5 December 2009 passed by the ministers of the Working Group for the Adoption of implementing regulations of the Anti-Money Laundering Act and further amendments thereto, the implementing regulations of Cash Flow Documentation in the Country of 16 March 2008 passed by the Cabinet, and to manage various banking risks, especially operational, reputation, and compliance risks, this Instruction on "Identification of Iranian Customers of Credit Institutions" is hereby advised.

### **Definitions**

**Article 1-** The terms and phrases used in this Instruction have the following definitions:

- 1-1- Central Bank: Central Bank of the Islamic Republic of Iran;
- 1-2- Act: The Anti-Money-Laundering Act of 22 January 2008;
- 1-3- Implementing Regulations: The implementing regulations of the Anti-Money Laundering Act No. 181434/T 43182K of 5 December 2009 passed by the ministers of the Working Group for the Adoption of implementing regulations of the Anti-Money Laundering Act;
- 1-4- Credit institutions: Banks (including Iranian banks and branches and representative offices of foreign banks based in the Islamic Republic of Iran), non-bank credit institutions, credit cooperatives, Gharzolhassanah funds, leasing

companies, investee companies, and other legal persons acting as intermediaries in the exchange of funds.

Note: “Credit institutions” means branches or representative offices based in the free trade and industrial zones and the special economic zones of the Islamic Republic of Iran.

1-5- Senior Management: Members of the Executive Board/Managing Director and the directors and senior employees of the credit institution who are directly under the supervision of the Executive Board/Managing Director and are responsible for implementing the strategies and policies passed by the Board of Directors/Board of Trustees or the Executive Board, as the case may be.

1-6- Operational Risk: Potential loss arising from insufficient or inappropriate processes and methods, manpower and internal systems or occurrences that take place outside the credit institution, including suspension of operations, customer penalties and punishments, business products and performance, employees performance and workplace safety.

1-7- Reputation Risk: Potential loss due to loss of good reputation for reasons such as unfavorable credit situation, decrease in credit ranking or loss of public trust.

1-8- Compliance: Compliance of the credit institution’s activities with laws, regulations and standards relevant to the activities of the institution.

1-9- Compliance risk: The possibility of imposition of fines, legal punishments, supervisory penalties, suffering from important losses or damage to the good reputation of the credit institution resulting from violating laws, regulations and standards.

1-10- Customer:

any natural or legal person who has an account in a credit institution, or a bank account is opened in favour or on behalf of that person;

any natural or legal person who is in a banking or credit services relation other than the above with the credit institution (or other beneficiary or

beneficiaries) and from whom various risks, especially reputation and operation risks may arise for the credit institution.

A customer may be divided into two types of passing and regular, as defined below.

1-10-1- Passing Customer: A customer who visits the credit institution to receive non-basic services and the provision of services to the customer does not require the formation of a file. A passing customer does not have a “continuous” relationship with the credit institution. Customers requesting the payment of checks, transfer of funds and payment of bills are considered as passing customers.

1-10-2- Regular Customer: A customer whose relationship with the credit institution has the important characteristic of being continuous and due to the type and nature of the services required, it is necessary to create an identification and other relevant information file for that customer.

1-11- Customer Identification: The identification and verification of the customer's identity using information sources and data that are independent, valid and reliable. Customer identification is divided into two groups of activities known as "initial identification" and "full identification".

1-11-1- Initial Identification: Checking the particulars declared by the customer against identification documents and entry of the information. In case the information is provided by agent or attorney, information of the principal shall be entered in addition to that of the attorney's or agent's.

1-11-2- Full Identification: Precise identification of customer at the time of providing basic services as referred to in this Instruction.

1-12- Banking and Credit Services: Various services provided by the credit institution to a customer. Banking and credit services are divided into two groups, known as "non-basic services" and "basic services" as described below.

1-12-1- Non-Basic Services: Services which are not a prerequisite and requirement for providing other services to a customer nor will result to a continued relationship of the customer with the credit institution. The provision of these

services to a customer only requires the customer's initial identification by the credit institution as set forth in this Instruction. Some of the non-basic services are as follows:

- Transfer of funds;

- Any form of receipt or withdrawal;

- Foreign exchange trading, whether in cash, transfers, foreign traveler's check, etc.;

- Issuance of various cashier's checks and certified checks and payment of checks.

1-12-2- Basic Services: Banking and credit services which, according to regulations, are considered to be pre-requisite and requirement for providing other services by credit institutions after which customers call on the credit institution to receive frequent and continuous services. Some of the basic services are as follows:

- Opening accounts of any type with banks;

- Provision of facilities and leasing transactions;

- Transactions related to letters of credit;

- Issuance of various bank letters of guarantee and endorsement;

- Buying debt, reception or discounting of commercial and banking documents (including promissory notes, checks and bills of exchange) and endorsements thereof;

- Renting of safe deposit boxes;

- Issuance of various receipt and payment cards.

1-13- National ID of Legal Persons: A unique number that is allocated to all legal persons, according to approval No. H39271 T/16169 of Apr. 18, 2009.

1-14- Non-Financial Businesses and Professions: Persons who engage in a lot of cash transactions and are prone to risks in terms of money laundering, such as:

- Forward dealers in real estates and cars;

- Jewelers;

Car dealers;

Dealers of valuable carpets;

Dealers of antiques and precious cultural materials.

1-15- Financial Intelligence Unit (FIU): A National, central and independent agency that is responsible for receiving and analyzing reports of suspicious transaction and disseminating them to competent authorities (as specified in article 38 of the implementing regulations of the Anti-Money-Laundering Act).

1-16- Designated Threshold: As defined in article 1 (G) of the implementing regulations of the Anti-Money-Laundering Act;

1-17- Council: High Council on Anti Money Laundering.

1-18- Secretariat: The Secretariat of the High Council on Anti Money Laundering.

1-19- Persons Identification System (PIS): The system based in the Ministry of Finance and Economic Affairs, which is connected to relevant organizations (National Organization for Civil Registration, National Organization for Notarization of Deeds, the Post company, and the Organization for Tax Affairs) and facilitates replying to credit institutions inquiries on the identification and address of different persons.

1-20- Principal Shareholder: A person whose shares in a legal person exceed the limits set in this Instruction (natural person 5% and legal person 10%). Article

**Article 2-** A credit institution shall, in order to give effect to the purposes of this Instruction, develop transparent policies and procedures within the framework of the prescribed laws and regulations and review them annually. These policies and procedures must contain the following:

The policies on accepting customers;

The procedures for identification of customers;

Continuous monitoring of accounts;

Risk management.

## **The Policies on Accepting Customers**

**Article 3-** A credit institution must clearly define criteria for accepting customers.

These criteria should incorporate the followings:

3-1- Opening any kind of account requires the identification of the customer based on valid documents.

3-2- A credit institution must check the identity and information provided by the customer and its representative (parent, executor (of estate), guardian, attorney) against valid documents, according to the rules set forth in this Instruction.

3-3- Prior to opening an account, a credit institution shall apply the required control to ensure that the particulars of the person requesting the opening of an account does not correspond to that of persons for whom it is forbidden to open accounts.

**Article 4-** The credit institution must classify its customers (natural, legal) according to the risks which may incur from them, arising from factors such as their social and career positions, financial condition, type and nature of professional activity, background of the customer, main domicile, related accounts or other effective factors (as determined by the credit institution) affecting the credit institution.

**Article 5-** The classification stipulated in article 4 must be done in a way that receiving information from customers would be according to their allocated category. Therefore, for customers that pose the minimum risk, receiving the necessary information within the framework of this Instruction will suffice, and for those customers who pose a greater risk, more detailed information must be received and updated in shorter periods. The extent of the information required will be determined by the internal regulations of the credit institution.

**Article 6-** The credit institution is obliged to safeguard and protect customers' information and must take steps to prevent the disclosure or unauthorized use of such information.

**Article 7-** In order to update the information, a credit institution must oblige the customer in the text of the contract concluded to promptly inform the National Organization for Civil Registration of any change in the information provided accompanied by the relevant documentation.

**Article 8-** The credit institution must promptly implement article 15 of the implementing regulations concerning the identification of prior customers.

Note 1: Such prior customers, whose particulars show inconformity at the compliance stage, must remove such inconformity within three months. If the inconformity is not removed, the anti-money-laundering unit of the credit institution shall submit the matter to the Financial Intelligence Unit.

Note 2: Such prior customers whose median annual activity is considered unimportant by virtue of the relevant Instruction that shall be approved by the Council are exempt from this article.

**Article 9-** If a credit institution is unable to obtain the necessary information for the identification of a customer for reasons such as a lack of cooperation on the side of customer or the customer provides false information, the credit institution shall, after explaining the issue, abstain from providing services to the customer.

**Article 10-** A credit institution shall report the details of customers who have provided false information to the Financial Intelligence Unit.

**Article 11-** The provision of basic services to the following persons by a credit institution is forbidden and if such services have been provided prior to this Instruction, the credit institution shall stop its working relation with the customer:

Persons who refrain from providing the necessary information or documents;

Unauthorized foreign currency exchanges;

Persons who are prevented from opening accounts by virtue of a judicial ruling;

Iranian persons without a national ID.

## **Procedures for Identification of Customers**

**Article 12-** The identification of a customer is divided into “initial identification” and “full identification” based on the services it requests (non-basic services, basic services).

**12-1- Initial Identification:** A credit institution, when providing any banking and credit services (non-basic services or basic services) to a customer (passing or regular) and conducting any kind of monetary and financial operations (even under the designated threshold amount), including any form of receipt and withdrawal, transfer of funds, issuance and payment of checks, provision of facilities, issuance of any kind of payment and debit cards, issuance of letters of guarantee, foreign exchange trading, certificate of deposit and participation bonds, acceptance of guarantees and undertakings of guarantors in any form, such as signing promissory notes, bills of exchange and letters of credit, shall carry out an initial identification of the customer as set forth in this Instruction and register information in its information systems.

Note: Payment of governmental bills and utilities under the designated threshold amount does not require the identification of the customer.

### **12-1-1- Initial Identification of Natural Persons:**

- Required information:  
First name and last name, national ID number, date of birth, father’s name, complete residential address and postal code, telephone number.
- A credit institution, upon receiving the above information from the customer, shall conduct verification check against the original national ID card and confirm the matter on the relevant document.



Note 1: A credit institution shall provide training for all the relevant personnel on the method of distinguishing an original ID card from a forgery, according to circular number 89/32532 of 6 May 2010, issued by the Central Bank on controlling specifications of national ID cards and register such training in the employees' files.

Note 2: In respect of persons lacking capacity, it is necessary to obtain the information of their executor and guardian in addition to the information of that person.

Note 3: In respect of persons lacking capacity, the credit institution is only permitted to open a savings account and investment account. The opening of a current account, payment of loan and facilities, opening of letters of credit, issuance of any kind of guarantee and other similar services to these persons is prohibited.

Note 4: If a credit institution has an online connection (direct or indirect) to the National Organization for Civil Registration and the said institution is able to check the information provided by the customer against a birth certificate bearing photo or a valid driving license or passport, the initial identification of the customer may be carried out by these documents.

Note 5: The initial identification of a natural person introduced by a legal person shall be carried out according to the regulations on natural persons.

### **12-1-3- Initial Identification of Legal Persons**

Considering that in order to benefit from non-basic services, natural persons refer to the credit institution on behalf of legal persons, the initial identification of these persons shall also take place according to the rules on natural persons.

12-1-4- In case there is any ambiguity concerning the originality of the identification documents provided by a customer, those who carry out the initial identification in the credit institution shall conduct an inquiry by referring to other information sites and systems, obtaining credible documentation according to this Instruction, or inquiring from informed legal authorities, in order to remove the ambiguity and identify the customer. In such cases, the provision of services shall be suspended until ambiguity is removed.

If there is certainty about the falsity of the information, the credit institution shall, in addition to abstaining from providing further services, immediately report the matter to the Financial Intelligence Unit.

## **12-2- Full Identification**

A credit institution shall, when providing any basic services to a regular customer, fully identify and perform due diligence of the said customer and estimate his/her expected turnover, in addition to carrying out the initial identification.

### **12-2-1-Full Identification of Natural Persons**

In order to fully identify a natural person, a credit institution, in addition to carrying out an initial identification of the person, shall obtain the following information and documents from that person, as the case may be:

1. A valid letter of introduction signed by at least one known customer or persons trusted by the credit institution or a letter of introduction from a credit institution licensed by the Central Bank, governmental organizations, or official professional associations and organizations.
2. The records of the customer's relationship with any of the credit institutions licensed by the Central Bank and an inquiry from that institution in order to verify the validity of information provided by the customer.

3. A valid business license, especially for non-financial occupations.
4. Employment certificates from natural persons with a valid business license or from legal persons holding a national ID number.
5. Information on the type, scope and purpose of the customer's activities in order to define the expected turnover of the customer in its field of business.

Note 1: The full identification of a natural person introduced by a legal person (including Iranian) shall be conducted according to the regulations on natural persons.

### **12-2-2- Full Identification of Legal Persons**

\* For full identification of Iranian legal persons

- ◆ a credit institution shall, in addition to carrying out an initial identification, obtain the following information and documents, as the case may be:

The type, subject, nature and scope of the legal person's activities;

Information on the ranking of the legal person (from authorities such as the credit rating company, ranking offered by the Vice Presidency on Strategic Supervision and Planning, or other professional authorities);

Note: If the company has not been ranked, the credit institution shall determine the expected level of turnover based on its financial statements verified by a member of the Association of Chartered Certified Accountants (ACCA). If the legal person is not obliged to appoint a member of the ACCA, the most recent financial statements of the legal person shall be directly evaluated.

The particulars of the individual or individuals who are authorized to withdraw from the legal person's account (including first name and surname, national ID number, father's name, date of birth, address and postal code), and their positions (accompanied by a sample of their authorized signatures);

The names, particulars, residential addresses and postal codes of the members of the Board of Directors, Executive Board/Managing Director, independent auditor (or auditors), legal inspector or inspectors and shareholders (partners) holding more than 5% of the shares (assets) of the legal person. (In respect of other legal persons such as non-profit organizations and foundations, etc. the particulars, address, and postal code of the founders, the Board of Trustees or other similar organs).

Main place of activity, address and postal code of the central office, telephone and fax numbers, authorized signatories and a sample of their signatures, information on how all financial documents and relevant communications become official, duration and powers of the Board of Directors and the Managing Director or other similar organs of the institution regarding accounts;

An undertaking by the managers and authorized signatories of the legal person, to the effect that they have provided the latest documents and information on the legal person and that they shall immediately inform the credit institution of any changes in such documents and information.

Note: With regard to governmental and municipal institutions and organizations (subject of article 587 of the Commercial Code) that gain legal personality upon establishment without requiring registration, obtaining their registration date and number has no relevance. In such cases, receiving the national ID number and inquiring from the Person's Identification System (PIS) or the National ID Database for Legal Persons and maintaining the information in the records shall suffice and there is no need to carry out the other duties concerning full identification of customers.

12-2-3- In order to fully identify a customer, a credit institution shall inquire about the validity of the information provided (including the national ID of legal or natural persons, etc.) from the relevant information databases, as the case may be.

The person conducting the inquiry shall certify the time of receiving verification from the said databases, along with his/her particulars in the said documents.

Note: The validity of the information provided can be inquired from the following databases, as the case may be:

Natural persons: The national ID Database for Natural Persons;

Legal persons: The National ID Database for Legal Persons;

Address: The Post Company;

Economic Code: The Organization for Tax Affairs;

(The above can be inquired from the Person's Identification System (PIS)).

Guild Code: The Ministry of Commerce;

Iran Code: The Ministry of Commerce;

The National Official Gazette's Database.

12-2-4- For full identification of a natural person, the particulars provided by the person shall be checked against valid documents submitted by the person to the credit institution by an authorized signatory of the institution and marked as " Certified Copy" by the said signatory, and kept in the customer's records.

12-2-5- If an attorney, executor (of estate), guardian, or parent is acting on behalf of another person or persons requesting services, the credit institution shall, in addition to identification of the principal, conduct an identification of the said representative and document and evidence his/her documents, according to these regulations.

12-2-6- Documenting a customer's address for initial identification shall take place by checking the declared postal code by the customer against the postal code indicated at the back of the customer's National ID Card. In order to document a customer's address for full identification, the declared postal code by the customer shall be checked against the information in the National Postal Code Database (access to this database is possible via the Persons Identification System- PIS).

12-2-7- If a customer has a unique number in a credit institution, according to which various accounts numbers are assigned, it is not necessary to conduct a full identification of the customer for each account.

12-2-8- If the main shareholders of a legal person are persons (natural, legal) that are unknown to the credit institution, the customer's identification shall also be conducted for its main shareholders. In any case, the operations of the legal person must be monitored closely (according to the regulations set forth in the Instruction on Monitoring and Control of Suspected Persons in the Credit Institutions).

12-2-9- In respect of those services that due to particular laws and regulations require further information and documents, the credit institution shall, in addition to abiding by the regulations stipulated in this Instruction, apply the relevant particular regulations for the identification of the customer as well.

12-2-10- In respect of persons who hold a general power of attorney for conducting all the affairs of a natural or legal person, a credit institution shall conduct a full identification of the principal and agent (as set forth in this Instruction) and report the matter to the Central Bank and the Financial Intelligence Unit.

12-2-11- A credit institution shall check the information obtained from a customer against valid identification documents and ensure their truthfulness. Valid documentation consists of:

❖ **For natural persons:**

- National ID Card;
- National Birth Certificate (only for persons under the age of 15);
- National birth certificate or driving license or passport (if the credit institution has access to the Persons Identification System and is able to verify the truthfulness of the information of such documents with information in that system).

Note: In respect of persons lacking capacity, it is necessary to obtain an officially notarized document certifying the position of the parent, guardian, or executor (of estate).

❖ **For legal persons:**

- The original or copy of the Certificate of Registration of the company, Memorandum of Association;
- Application for registration of the company or its Articles of Association (according to the status of the company);
- Resolution of the Board of Directors on opening an account (in the name of the company), and introducing the authorized signatories;
- An undertaking by the said legal persons to the effect that any change in the Memorandum of Association or Articles of Association or the decision of the Board of Directors concerning the opening of account and introducing authorized signatories will be immediately reported.

12-2-12- If a customer does not provide the above-mentioned identification documents or if there is a suspicion of money-laundering or other related crimes, the credit institution shall abstain from providing services to the customer and report the matter to the Financial Intelligence Unit.

Note: Credit institutions may consider other documents that credibly provide the said information (specifically information required for estimating his/her level of turnover) as acceptable in their internal instructions. Credit institutions may define the level of identification in view of the type, nature and expected turnover of a customer in their internal instructions, subject to the assurance that the required information shall be obtained.

**Article 13-** The provision of basic services in electronic form and without full identification of the customer and performing any untraceable or unnamed electronic financial transaction and provision of related facilities is forbidden.

**Article 14-** A credit institution when providing basic services to designated non-financial business and professions, shall, in addition to obtaining the documents

necessary for full identification, obtain the necessary undertaking to the effect that the Anti-Money-Laundering Act and regulations will be fully respected by them. If designated non-financial business and professions abstain from providing this undertaking or do not abide by the said undertaking, the credit institution shall cease providing services to them.

**Article 15-** A credit institution shall, when providing services to persons whose names and particulars have been declared to the credit institution by the Central Bank, be more diligent, and more closely and continuously monitor their credit activities.

Note: The credit institution shall, in respect of the persons listed below, show more diligence and supervision:

Individuals and institutions whose names are included in terrorist lists or related to money-laundering and declared to the credit institution by the Central Bank;

Guilds that do not have a guild code.

**Article 16-** A credit institution, when providing basic services to a customer, shall oblige the customer to:

A- Provide the information required by the credit institution as specified in this Instruction and respect the regulations on anti-money-laundering.

B- Not allow other persons to use the provided basic services, and if this happened, the customer should report the matter to the credit institution immediately. Lawful representation, subject to the condition that the particulars of the representative or attorney are included and initial identification and registration of the particulars have been carried out is exempt from this clause.

Note: The said undertakings shall be explained clearly and precisely to the customer. If a customer does not accept these undertakings or violates them, the provision of services to the customer shall cease.

**Article 17-** A credit institution shall consider an appropriate box in all the forms and documents used by the customer for the inclusion of a valid identification



number (National ID Number, or National ID Number of legal persons, as the case may be) and postal code, and this information shall be fully and precisely obtained.

**Article 18-** A credit institution shall consider an appropriate box in all its softwares and information systems in which monetary and financial operations are registered for the inclusion of a valid number (National ID Number, or National ID Number of legal persons, as the case may be) and postal code and provide for the search possibility of these numbers in the said softwares.

**Article 19-** If a credit institution has not checked the details of the persons and locations registered in its information systems against the relevant information databases, it shall send the said details to the said databases and control their truthfulness within one month after providing basic services to the customer.

**Article 20-** A credit institution shall update the information it has checked against the relevant databases every three months. If it is known that the natural person has died in the said period but the death has not been reported to the credit institution, that person's account shall be immediately blocked and if, after his/her death, there has been any transaction exceeding the designated threshold amount, the matter shall be reported to the Central Bank and the Financial Intelligence Unit.

**Article 21-** Credit institutions providing basic services shall continuously update the information related to the full identification of customers, especially in the following cases:

A- When in view of circumstantial evidence, there is a possibility that the situation of the customer has substantially changed.

B- When the credit institution believes that in view of circumstantial evidence, a customer is involved in money-laundering or financing of terrorism operations.

**Article 22-** For the purpose of documenting customers' information, after conducting an inquiry from the relevant authorities and ascertaining the truth of

the information, a copy of the documents shall be certified by the authorized signatory of the credit institution.

**Article 23-** Six months after the notification of this Instruction, the postal code of the legal domicile of regular customers must correspond with the information in the relevant databases (Civil Registration for Deeds Notarization). In respect of passing customers, a credit institution shall check the postal code at the back of the National ID Card against information provided by the customer.

**Article 24-** The provision of services to customers indicates the conduction of the identification process of the customer by the relevant employees of the credit institution and the responsibility for any shortcoming in this regard within the framework of this Instruction shall rest with the said employees.

**Article 25-** A credit institution shall block any accounts that lack a National ID Number, or National ID Number of legal persons within three months of the notification of this Instruction. Upon the provision of the said ID numbers, the said accounts shall be unblocked.

### **Continuous Monitoring of Accounts**

**Article 26-** A credit institution shall create a comprehensive system for information management and take steps to compile and process customers' information in this system and provide access to relevant units.

**Article 27-** In order to effectively control the risks arising from insufficient identification of a customer, the customer's account shall be monitored, according to its classification ranking.

**Article 28-** In respect of higher risk accounts, a credit institution shall create a system that also monitors these accounts periodically.

**Article 29-** Credit institutions shall provide a summary of the information of customers receiving basic services in relation to money-laundering, and upon the

declaration of the Financial Intelligence Unit and as set forth by that Unit, to that Unit at the end of each month.

Note: The said summary of information shall include the first name and surname, National ID Number and date of provision of basic services in respect of natural persons, and in respect of legal persons, the name and National ID Number of legal persons or economic code. Other requirements shall be declared to credit institutions upon approval by the Council.

### **Risk Management**

**Article 30-** The Board of Directors, senior management, or equivalent organizational position of the credit institution shall ensure the existence and implementation of effective programs for customer identification by adopting appropriate procedures. These programs must provide for the possibility of efficient supervision of the management of systems, controls, segregation of duties and training of employees. The final responsibility for decisions taken in this regard rests with the Board of Directors or its equivalent in the credit institution.

**Article 31-** The responsibility for the implementation of policies and procedures of the Board of Directors and senior management or equivalent organizational position in the credit institution (in respect of customer identification and creation of relevant information systems) rests with that institution's anti-money-laundering unit. The said unit shall evaluate the implementation of the policies and procedures for customer identification in all branches and all levels of the credit institution and report any deviation accompanied by corrective suggestions to the Board of Directors and senior management of the credit institution.

**Article 32-** A credit institution shall provide training to its employees on identification of customers. Training programs must be designed such that employees gain sufficient and reasonable knowledge on the necessity, importance and method of implementing policies and procedures on customer identification. These programs must be continuous (specifically in respect of new personnel) so

that it is ensured that the relevant personnel have received the relevant training in this regard. The credit institution shall include the relevant training records in its employees' files.

**Article 33-** A credit institution shall review the information pertaining to a customer being active once every six months. Also, at the request of the customer or the incidence of substantial change in a customer's situation, the credit institution shall once again conduct a full identification of the customer again.

### **Keeping Records of Customers and their Transactions**

**Article 34-** The Board of Directors of the credit institution shall ensure that necessary steps have been taken for the appropriate maintenance and processing of information, and that powerful systems have been established in the institution, such that when necessary, these systems are able to provide the required information by relevant authorities with ease, and in the framework of relevant laws and regulations within one working day at the maximum.

**Article 35-** The maintenance of the documents in the credit institution shall be in accordance with the implementing regulations on the Duration and Method of Maintaining Commercial Documents, Banks' Logs and Documents approved in the 1114th session of the Money and Credit Council on 15th June 2010 (Central Bank Circular number 80223/89 of 6 July 2010, as further amended).

The type of transaction, amount and kind of currency, date of transaction and parties to the transaction, accounts whereby the transaction has taken place, and particulars of the account holder(s) shall be included in the records of financial transactions maintained.

### **Scope of This Instruction**

**Article 36-** In addition to credit institutions, this Instruction is binding on all branches and representatives of foreign banks and credit institutions in Iran, credit institutions situated in free trade and industrial zones and special economic zones.

**Effective Date**

**Article 37-** The effective date of this Instruction is one month after its notification by the Central Bank. During this time, credit institutions shall inform customers and adopt the necessary measures and facilities for implementing this Instruction, such that its implementation will as far as possible not interfere with customers' affairs.

This Instruction has been approved in the eighth session of the High Council on Anti--Money Laundering on 9 February 2011 in 37 articles and 18 notes.