

THE

LIBERIA

OFFICIAL

**GAZETTE
PUBLISHED BY AUTHORITY**

**VOL.XII Monday, July 29, 2013
NO.48**

EXTRAORDINARY

The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the Central Bank of Liberia Act of 1999 and its authority under the Financial Institutions Act of 1999, and specifically consistent with Section

REGULATION NO CBL/RSD/004/2013

This regulation implements internal control requirements which are mandatory for financial institutions (as defined by §1 of the Anti-Money Laundering and Terrorist Financing Act of 2012), pursuant to that law as well as § 4(5) of the Central Bank of Liberia Act (CBL Act) and § 39 of the New Financials

REGULATION NO CBL/RSD/004/2013

- cover all customers/clients, products, services, transactions, business lines, branches and subsidiaries
- be made available for inspection by the Central Bank of Liberia (CBL) or the Financial Intelligence Unit (FIU), upon request.

2.4 Compliance with Obligations by Foreign Subsidiaries and Branches:

- 2.4.1 Financial institutions shall require their foreign branches and majority-owned subsidiaries to implement the customer identity, customer due diligence and internal control requirements usin65(o)-2((e)-3(

- Until the FIU is established and issues its cash transaction report (CTR) forms, the form attached at Annex III shall be used and financial institutions shall file CTRs with the Regulation and Supervision Department of the CBL.

2.6 Prohibition against tipping off & duty of confidentiality

2.6.1 No financial institution, employee, director, partner, officer, or principle shall disclose to a customer or any third party that a suspicious transaction report has been (or is being) submitted to the CBL or the FIU.

2.6.2 No person shall disclose any information that will identify or is likely to identify the person who prepared or made a suspicious transaction report, or handled the underlying transaction.

2.7 Prohibition against relations with shell banks: Establishment of any business relations or executing any transactions with a shell bank are absolutely prohibited.

2.8 Prohibition

financial institution. The AML/CFT compliance officer shall have ready access to all books and records of the institution.

- 2.10.2 Provide AML/CFT training to all employees on an annual basis, and shall maintain copies of, and make available to the CBL upon request, all training attendance records, training programs and materials for inspection by the CBL;
 - 2.10.3 Implement internal audit arrangements to review and monitor effectiveness of AML/CFT policies, procedures, systems and compliance, as well as initiate corrective actions where compliance deficiencies are identified.
- 2.11 AML/CFT Risk Assessment of new products, services and technologies
- 2.11.1 Financial institutions shall conduct AML/CFT risk assessments of all products and services that utilize new technologies which give rise to increase money laundering or terrorist financing risks, particularly where accounts can be established or transactions can be executed in a non-face-to-face manner.
 - 2.11.2 The AML/CFT risk assessments of these products and services shall clearly identify all ML/TF risks, and set

provided by the customer, the financial institution shall take steps to verify the validity of the documentation with the issuing agency.

3.1.7 Customer identity documentation must be obtained:

- before opening any account for or otherwise establishing a business relationship with a customer (except customers existing before this regulation became effective in which case such documents must be obtained within 1 year of effectiveness of this regulation);
- when carrying out transactions for occasional or walk-in (non-account holder) customers
- when any doubts exist about information proved by an account holder, including the veracity or adequacy of information; or
- there is a suspicion of money laundering or financing of terrorism involving the customer or the customer's account.

3.2 Customers not Physically Present: Financial institutions shall take adequate measures to address the specific ML/TF risks where a customer is not physically present for purposes of identification. Such measures shall ensure that the identity documentation procedures are no less effective than where the customer appears in person, and should require additional documentary evidence, or supplementary measures to verify or certify the documents supplied, or certified confirmation from a trusted financial institution (at which the client maintains a client relationship or the previous financial institution at which the client had a relationship) or equally reliable documentary evidence.

3.3 Beneficial Owner Requirements: Financial institutions shall identify the natural persons who are beneficial owners of legal entities and or natural persons. Where it is not possible to identify them with certainty, the financial institution shall make a responsible determination as to whether to open or continue the account, or classify the account as a high risk account.

3.4 Know Your Customer (KYC) - understanding the purpose and nature of accounts and transactions

REGULATION NO CBL/RSD/004/2013

obtain and maintain sufficient information and data from each client to have a sufficient understanding of the profile of expected transactions and account activity for the client in

REGULATION NO CBL/RSD/004/2013

- paying special attention to and examining the background circumstances of all complex, unusual large transactions and all unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
- paying special attention to business relations and transactions with persons, including legal persons and

for or through a shell bank or permitting its accounts to be used by a shell bank.

3.11.2 In respect of all correspondent banking relationships, financial institutions shall:

- identify and verify the ownership structure of the correspondent bank;
- collect information on the nature of the institution's banking and other business activities;
- evaluate the institution's reputation and quality of supervision to which it is subject;
- obtain written approval from senior management to establish or continue a correspondent banking relationship;
- evaluate the AML/CFT controls implemented by the institution

The CBL may impose a range of administrative sanctions upon any financial institution as an entity as well as individual persons who violate any provisions of this Regulation. These may include:

- Warning letter;
- CBL Order to take specified corrective action;
-

-

The following list contains some examples of possible suspicious transactions. Financial institutions shall not consider this list as exhaustive, but shall use their professional judgment to identify and report other transactions that may be suspicious based on other factors.

-large volumes of transactions which are

--	--	--	--	--

