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Instruction №200
**“On identification and verification of customer and
beneficial owner (beneficiary)”**

Instruction “On identification and verification of the customer and beneficial owner (beneficiary)” (hereinafter - Instruction) is developed in accordance with of point 6 of Part 2 of Article 5 of Law of Republic of Tajikistan “On AML/CFT” (hereinafter - Law), establishes identification and verification of customer and beneficial owner (beneficiary) by organizations, carrying out transactions with funds or other property.

Chapter 1. General provisions

1. The following terms are used in this Instruction:

- **beneficial owner** - individual or several individuals, who at least possess the right of property and really controls client and (or) individual, in whose interests the transactions is implemented;

- **internal control** - organizations activities, carrying out transactions with funds or other property, on identification of transactions (attempts to implement a suspicious transactions), which are subject to obligatory control and other transactions with funds or other property related to money laundering and financing of terrorism;

- **transactions with funds or other property** - activity of individuals and legal entities directed to establishment, change and discharge of civil rights and obligations related to funds and other property;

- **suspicious transaction and operation** - transaction and operation (attempts to implement transaction and operation) with funds or other property defined as suspicious transaction and operation in accordance with this Instruction and according to the list of indications of suspicious transactions

approved by authorized body.

2. Organizations carrying out transactions with funds or other property (hereinafter - Organizations) have to take measures on identifications, verification and appropriate customer due diligence procedures (hereinafter - CDD) in the following cases:

- a) at establishment of business relationships;
- b) at conduction of any individual transactions and operations for the amount exceeding set threshold of 70000 somoni (seventy thousand);
- c) at suspicion of money laundering and terrorism financing;
- d) if an information provider has doubts in reliability and conformity of earlier received data concerning identity of the customer.

3. Measures on customer due diligence procedures used by organizations include:

- a) identification and customer due diligence;
- b) identification and verifying procedure of a beneficial owner identity;
- c) receiving of information on purpose and expected character of business relationships;

d) permanently verification of business relationships and careful study of transaction with funds or other property implemented within such relationships to be ensure that carrying out transactions are in accordance with data of organizations on that client, its activity and character of risks including information on source of customer funds which is accessible in that moment;

e) in pursuance of the subparagraphs a) and c) of this paragraph, authorized persons of credit institutions shall be obligated to carry out proper inspection in respect of existing customers on the basis of materiality and risk, at list once a year, or regularly, update client information. Under this Instruction, beneficial owner is defined as a natural person, who owns or controls a customers or the person on whose behalf a transaction is being conducted, even in cases when ultimate effective controls is carried out without formal rights of ownership;

3¹. Organizations during conducting individual transactions carry out customer due diligence procedures under the information of appendixes 1 and 2 of this Instruction, and also should study character of business relations and their activity according to appendix 4 of this Instruction.

4. Organizations are obliged to identify both the persons employed for providing services for establishing long-term relationships and the persons, which are provided with services or with which the transaction (deals) with money or other property are carried out regardless of a type, nature and size of rendered services or conducting transactions (deals), except for the cases provided in p.34, 35 and 36 of this Instructions.

5. In case of a person represents an individual or legal entity the

organizations have to obtain from that third party the needed information related to defined elements of CDD process that is identify and verify of representative identity and its authority.

6. The organizations shall assign and identify a beneficial owner (beneficiary), under the agency contract, order's contracts, commission and trust management and other documents while performance of transactions (deals).

7. In the course of CDD of legal entity the organizations have to take reasonable and accessible measures on identification of an individual – a real owner of the customer who finally is an owner or supervises the customer, including analyzing structure of the property and management of the customer, also founders (shareholders, members) of the customer.

8. If the customer or real property owner of the customer is a joint-stock company, to whom the responsibility of requirements of legislation on information disclosure, on structure of ownership is extended, i.e., registration of shareholders (participants) is carried out by the authorized body (Ministry of finance), then an identification and confirmation of an personality of founders (shareholders, members) of such legal entity may not be required.

9. The requirement on establishment and identification of a beneficial owner (beneficiary) shall be considered as made if the organizations can confirm on a basis of appropriated data including those specified in the Appendix 1 of this Instruction that they undertake proved and accessible measures in the occurred circumstances on establishment and identification of a beneficial owner (beneficiary).

10. The organizations shall develop and confirm the procedure of identification and verification of the customer and the beneficial owner (beneficiary) within the framework of rules of internal control. The identification procedure shall include a procedure of identification, verification of customers, establishment and identification of the beneficial owner (beneficiary) including a procedure of risk level assessment of transactions carried out by a customer with a view of anti-money laundering and anti-terrorism financing and basis of such risk assessment.

11. Identification procedure can also contain other regulations included by the discretion of organizations.

12. The credit organizations licensed by authority's bodies for carrying out activity shall use additionally a procedure of identification and verification of a customer and a beneficial owner (beneficiary), established by the competent authority.

Chapter 2. Customer and beneficial owner (beneficiary) due diligence procedure

13. In order to identify a customer and a beneficial owner (beneficiary)

collection of data and documents provided by Appendix 2 to this Instruction are carried out by the organizations, being the basis of carrying out transactions (deals) and also other needed information and documents.

14. Employees of structural divisions of organizations involved in carrying out of transaction (deals) and also serving customer base are obliged to perform work on identification of a customer at fulfillment of operation (transaction) by them and also to certify identity and to identify a beneficial owner (beneficiary). The organizations also can use other additional (supplementary) sources of information accessible to them on the lawful bases.

15. All documents identifying the customer and beneficial owner (beneficiary) should be valid for date of their submission. The documents made completely or any part of them in foreign language shall be submitted to organizations with their Tajik translation and shall be properly assured.

16. The documents issued by government authorities of foreign states, confirming the status of legal entities - non-residents shall be accepted by the organizations in case of their legalization when due hereunder (specified documents can be presented without their legalization in the cases provided by international contracts signed by the Republic of Tajikistan).

17. All documents should be presented by customers of organizations engaged in performance of operations with money or other property, in original or properly certified copy. If only one part of document concerns the identification of a customer and a beneficial owner (beneficiary) the certified extract of it can be provided.

18. In case of submission of documents copy an organization shall be entitled to require the submission of original copy of documents for acquaintance and correct registration.

19. For identification of a customer, certification and identification of beneficial owner (beneficiary), organizations shall use an application form. Data on customer and beneficial owner (beneficiary), received as a result of identification procedure, shall be stated in the application form of customer made on the basis of status of a customer and a beneficial owner (beneficiary), provided by Appendix 3 to this Instruction. The application form of a customer can be filled on a paper or electronic carriers. The application form of a customer filled in electronic form while putting on paper shall be certified by a signature of authorized employee of the person providing data. Minimum requirements imposed to application form of a customer shall be established by authorized body (the National Bank of Tajikistan) with consideration for features of organization activity. The application form of a customer shall be kept by organizations for the term not less than 5 years from the date of termination of relationships with a customer.

20. An application form of a customer can include also other data at the discretion of an organization. If data stated in the application form of a customer

and (or) beneficial owner (beneficiary) change, a customer shall be obliged to provide the organization updated information and documents, not later than 1 month from the date of last changes made.

21. An organization shall add updated data received from him to application form on the date of their receiving.

22. The data specified in the application form of a customer can be registered and kept by the organization in the electronic database, which shall be accessible to employees of this organization, who perform identification of a customer and beneficial owner of proprietor (beneficiary), including internal control service, on a regular basis for checking of information on a customer and beneficial owner (beneficiary).

23. The organizations shall be entitled do not spend repeated identification of a customer and beneficial owner (beneficiary) if such customer and beneficial owner (beneficiary) have been identified earlier by the other organizations, carrying out operations with money resources or other property or in accordance with the Law and present Instructions, and also data on this customer and beneficial owner (beneficiary) are operatively accessible on constant basis.

24. Organizations shall be obliged to:

- carry out repeated identification of a customer and beneficial owner (beneficiary) if they have doubts in reliability of data received earlier as a result of identification procedure;

- check availability of data concerning participation of a customer and beneficial owner (beneficiary) in terrorist or extremist activities. The specified data are stated in the "Specially designated nationals and blocked persons list (terrorism financing)" formed out by the authorized body.

25. In addition to above mentioned measures of customer due diligence the organizations shall be obliged while servicing of foreign Politically Exposed Persons, carry out following actions:

a) take reasonable and accessible actions in the existing situation on revealing Politically Exposed Persons among the individuals being on service or accepted for servicing;

b) accept Politically Exposed Persons for servicing only on the basis of written permission of the head of organization, carrying out operations with money resources or other property or its deputy and also permission of the head of special division of the organization, whom the corresponding authority is delegated by the head of the organization or its deputy;

c) undertake reasonable and accessible measures in case of revealing of sources of origin of money or other property of foreign Politically Exposed Persons;

d) update available information of organization on a regular basis on foreign Politically Exposed Persons serviced by them;

e) pay special attention to operations with money or other property effected

by the Politically Exposed Persons serviced in the organization, their close relatives - (wife (husband), children, father, mother, brothers, sisters and also father, mother, brothers, sisters and children of the wife (husband), father and mother of the son-in-law, father and mother of the daughter-in-law and other persons living in the same household and keep house with politically exposed person or person of similar position, adoptive parents and adopted children) or on behalf of the above mentioned persons if they are serviced by a credit organization.

26. Organizations shall assess the risk level (categories) taking into account categories of high and low risk ranked further and also with consideration of Instructions on identification and presentation of suspicious transactions at risk assessment, confirmed by the Decision of Board of National bank of Tajikistan dd. June 20, 2011, No. 121.

27. The organizations can also use additional criteria for risk level (category) assessment.

28. The organizations shall update data received as a result of identification procedure of a customer and beneficial owner (beneficiary) at least once a year while high risk level (category) and at least once in three years in other cases and also to reassess risk level (category) in process of change of identification data or change of risk level (category) or in the case when:

- there are suspicions arisen in relation to a customer, beneficial owner (beneficiary) or operations (transaction) that they are connected to money laundering or terrorism financing;

- if an operation (transaction) has complicated or unusual nature testifying to lack of obvious economic reason or obvious lawful purpose or performance of specified operation (transaction) suggests that purpose of its implementation is avoidance of procedures of obligatory control imposed by the Law.

29. The organizations also can make reassessment of risk level (categories) and update data received as a result of identification procedures of customer and beneficial owner (beneficiary) and in other cases, according to terms and conditions set by the organizations.

Chapter 3. High Risk Categories and the order of their definition.

30. Following individuals, cases and objects are due to category of high risk:

a) registered (carrying out activity) in the offshore countries and territories the legal entity or living in offshore countries or territories customer-individual;

b) non-resident customer;

c) private banking activity;

d) legal entities or arrangements as of trusts which are instruments of keeping personal funds;

e) business relationships communications or individual transaction of

customer with such countries (territories) where is no due way of applying of AML CFT (according to list established by authorized body or international organizations), as well as with the countries to which UNO declared sanctions are applied;

f) customer residence in countries (territories), specified in sub point e) of this point;

g) charitable and noncommercial organizations;

h) securities to bearer (including checks to bearer) which are invert during business relationships or subject of individual transactions;

i) in cases when suspicions arising according to an accuracy and adequacy of identification data received before, including presence of beneficial owner and the validity of data connected with them;

j) in cases when it becomes known, that establishment of business relationships with customer or transaction carrying out has been rejected by other organizations;

k) in cases when the customer makes large cash turnover, business relationship or individual transaction with a large cash turnover;

l) customers under which accounts frequent and inexplicable funds movement to various financial organizations are carried out;

m) business relationships or individual transactions with individuals, who has political influence, their family members, persons affiliated with them;

n) providing personal bank services to the limited quantity of customers of special category;

o) business relationships approval without direct contact or carrying out of individual transaction by electronic way or correspondence (relationship without direct contact);

p) business relationship or individual transaction through such account or in such way of which more than 6 months were not made any operation;

q) correspondent bank relationships;

r) customer lending when provided loans are provided with the deposit involved in the same bank.

31. Internal legal acts of organization can provide other categories and requirements of high risks.

32. For definition of categories of high risks can be considered as well following circumstances:

a) customer is not a citizen or resident of the Republic of Tajikistan, or his past or present citizenship or residency in terms of AML/CFT implies a high risk;

b) customer in the past has been involved in a business relationship or the transaction which from the point of view AML/CFT was suspicious;

c) accounts, means or the authority of the legal entity is used for the purpose of circulation of actives of individuals;

d) structure and management of the legal entity is unreasonably

complicated;

- e) it is impossible or difficult to disclose participants of legal entity;
- f) customer - the legal entity issues securities to bearer.

33. Presence categories of high risk is defined during the customer analyses process. For the purpose of finding-out and estimation categories of high risk the organizations compare:

- 1) customer identifying data;
- 2) customer business characteristic;
- 3) customer business relationships;
- 4) character and the purpose of individual transactions of the customer;
- 5) the data received from accessible sources;
- 6) other circumstances.

34. At establishment of business relationship or the conclusion of the transaction without direct contact, the organization at least, undertakes following additional actions:

- a) carries out calculations only in the non-cash way, except for the cash payments which are carried out through terminals and cash machines;
- b) demands additional documents, such as contracts, payment receipts or other proving documents.

35. For finding-out of the fact of political influence of the person, organization can carry out following actions:

- 1) requests data from potential customers or obtains data about character of activity of customers and the affiliated persons connected with them;
- 2) studies the public information and uses a paid information database about persons having political influence (World-check etc.).

Chapter 4. Low-risk category

36. Following persons, cases or objects concern low risk categories:

- a) organizations, performing operations with monetary funds or other assets, controlled in terms of AML/CFT;
- b) public authorities;
- c) local authorities;
- d) Government organizations;
- e) payments received to the consolidated budget of the Republic of Tajikistan;
- f) payments for public services.

Chapter 5. Features of customer identification and beneficial owner (beneficiary) in the commission of certain types of transactions (deals)

37. Identification of individual may be held on the basis of an identity document, during the implementation of:

- funds transfers on behalf of individuals without opening bank accounts;
- operations (transactions) on exchange of national or foreign currency with individuals to cash checks (including traveler's checks), whose nominal value is specified in foreign currency.

38. Identification of the individual assumes the establishment of the surname, name, (unless otherwise provided by law or national custom), middle name, and details of the document certifying the identity of customer.

39. Identification of the individual provided by point 38 of this Instruction shall be conducted only if there exists collectively (all at once) following conditions:

- operation (transaction) is not subject of monitoring in accordance with Article 6 of the Law;

- surname, first name, middle name and other information available to the organization about individual is not fully consistent with the information contained in the List of individuals and entities against whom there is evidence of their participation in the terrorist or extremist activities (terrorism financing);

- in regard to a client or operation (transaction), at the organization does not arise suspicions that they are linked to Legalization of the incomes received criminal by and financing of terrorism;

- operation (transaction) has no confused or unusual character, testifying to absence of obvious economic sense or the obvious lawful purpose, and the performance of this operation (transaction) does not give grounds to consider that the purpose of its implementation is evasion from the procedures for mandatory control provided by the Law.

40. At realization of operations (transactions) with cash, using software and hardware equipment, electronic cashiers, ATMs, and other software and hardware systems (except for transactions with using payment cards) identification of the customer and the beneficial owner (beneficiary) is carried out by organizations if the sum of operation (transaction) is equal or exceeds 5 000 (five thousand) somoni or equivalent sum of a foreign currency, or payment is made into the account opened in the non-resident bank. During the operations (transaction) with payment (bank) card identification is based on the payment (bank) cards details, as well as codes (passwords).

41. At establishing correspondent relationships with the non-resident bank, the commercial banks are recommended to demand providing of information specified by point 1 of Attachment 2 to this Instruction, as well as information about non-resident banks adopted on AML/CFT measures. The decision on establishment of corresponded relationships with non-resident bank is accepted where available the consent of the head of credit organizations.

42. Identification of customer – individual, establishment and identification of beneficial owner (beneficiary) are not spent at realization by the persons – data providers, operations on reception from customers - individuals following payments:

- related to the calculations of budget, accommodation payments, personal services, security fees and also communications fees;

- related to alimony payments;

43. Identification does not apply to state bodies and local government of the Republic of Tajikistan.

The data, received with a view of identification of individuals

1. Surname, name and middle name (unless otherwise provided by law or national custom).
2. Citizenship.
3. The data of documents, proving the identity: a series and number of document, date of issue of the document, the name of the body, issuing the document, and a division code (if is available).
4. Data of the document, confirming the right of the foreign citizen or the person without citizenship on stay (residing) in the Republic of Tajikistan: a series (if is available) and document number, a start date of validity period of the right of stay (residing), an expiry date of the right of stay (residing), including a migration card: card number, a start date of stay and a expiry date of stay.
5. The address of a residence (registration) or stay place.
6. Identification number of the tax payer.
7. Data on the documents, confirming powers under the order of money funds or property.
8. Contact telephone and fax numbers (if is available).
9. The information on a work place and function.

Note:

The documents proving the identity include:

- a) For the citizens of the Republic of Tajikistan:
 - passport of the citizen of the Republic of Tajikistan;
 - the certificate of the Bureau of Acts of Civil Status about a birth of the citizen - for the citizen of the Republic Tajikistan, who is under 16 years old;
 - military card;
 - other documents, recognised according to the legislation of the Republic of Tajikistan as the identity documents.
- b) For foreign citizen:
 - passport of the foreign citizen or other document, established by the legislation of Republic Tajikistan as the identity document.
- c) For persons without citizenship:
 - the document issued by the foreign state and recognized according to the international agreements of the Republic of Tajikistan as the identification document of the person without citizenship;
 - temporary residence permit;
 - permanent resident card in the Republic of Tajikistan;
 - other documents, provided by the legislation or recognized according to the international agreements of the Republic of Tajikistan as the identification document of the person without citizenship.

d) For refugees:

- certificate on a recognition of refugee, given out by diplomatic or consular establishment or migration agencies of the Republic of Tajikistan;
- refugee certificate.

The documents confirming the right of the foreign citizen or the person without citizenship on stay (residence) in the Republic of Tajikistan include:

- permanent resident card;
- temporary residence permit;
- visa;
- other document, confirming according to the legislation of the Republic of Tajikistan the right of the foreign citizen or the person without citizenship on stay (residing) in the Republic of Tajikistan.

The documents, requested with the view of identification of individuals

1. For the citizens of the Republic of Tajikistan:

- passport of the citizen of the Republic of Tajikistan (original shall be given to make a copy);
- the certificate of the Bureau of Acts of Civil Status, government authority or local government about a birth of the citizen - for the citizen of the Republic Tajikistan, who is under 16 years old (the lawful representative gives the original from to make a copy)
- identification card of the military man or the military card (original shall be given to make a copy);
- social protection certificate (original shall be given to make a copy).

2. For foreign citizens:

- passport of the foreign citizen or other document established by the law or recognized under the international agreements of the Republic of Tajikistan as the identity document (original shall be given to make a copy);
- document confirming the right of the foreign citizen or the person without citizenship on stay (residence) in the Republic of Tajikistan: residence permit, temporary residence permit (original shall be given to make a copy) or other document assured by official bodies of the Republic of Tajikistan.

**The data, received with a view of identification of legal entities
and private entrepreneurs**

1. The data, received with a view of identification of legal entities:

- full, and also (if any) abbreviated name and name in a foreign language;
- business legal structure;

- taxpayer identification number – for resident, taxpayer identification number or foreign company code – for non-resident (if any);
- record on state registration: date, number, name registering authority, place of registration;

- registered address of actual location and mailing address;
- data on the license for the right of realization of activity: type, number, licensing date; issuing authority; period of validity; the list of kinds of licensed activity;
- bank identification code - for commercial banks - residents;

- data on legal entities bodies (structure and personal composition of Governing bodies of the legal entity);
- data on size registered and paid-in statutory capital or size of the authorized capital, property;

- data on presence or absence on the site of the legal person, its permanent controls, other body or the person which have the right to operate on behalf of the legal person without the power of attorney;
- contact telephone and fax numbers.

2. 2. The data, received with a view of identification of private entrepreneurs:

- data, provided by Appendix 1 to this Instruction;
- data on registration of private entrepreneur: registration date, State registration number, name of registering authority, registration place;
- data on the license for the right of realization of the activity which is subject to licensing: type, number, licensing date; issuing authority; period of validity; the list of kinds of licensed activity;
- mailing address and contact telephone and fax numbers.

**The documents, demanded with a view of identification of legal entities
and private entrepreneurs**

1. For legal entities:

- certificate on state registration of legal entity (copy);

- charter (copy, assured when due hereunder);
 - Constituent Agreement – if it is provided by the legislation (if the society established by one person, officially certified copy on establishment);
 - amendments in constituent documents and the certificate on the state registration of such amendments;
 - certificate on the registration in tax body;
 - documents, confirming powers of persons, having the right of the first and the second signature in a card with samples of signatures and an impress of a seal (decisions of Governing bodies, orders, powers of attorney, etc.) (the original or the copies assured by the organization);
 - license for the right of realization of the entrepreneurial activity which is subject to client obligatory licensing (copy);
 - extract from the State Register of Legal Entities - under the additional requirement.
2. For private entrepreneurs:
- documents, provided in the Appendix 1 to present Instruction;
 - certificate on registration of private entrepreneur (copy);
 - license for the right of realization of the entrepreneurial activity which is subject to client obligatory licensing - if necessary (copy).

**Data, received with the view of identification and verification of
beneficial owner (beneficiary)**

1. Data on the bases, testifying that the customer operates to benefit of other person by conducting of operations (transactions).
2. Data on beneficial owner (beneficiary).

The data included in the customer Application form

1. The data received as a result of identification of the customer, verification and identification of beneficiary, specified in appendices 1 - 3 to the present Position.
2. Data on degree (level) of risk, including risk estimation substantiation.
3. Commencing date of relations with the client, in particular date of opening of the first bank account (deposit, contribution).
4. Date of filling and updating of the Customer Application form.
5. Surname, name and patronymics, a function of the officer in charge for work with the customer, and also the employee who opened the account and has confirmed opening of the account, account administrator (if is available).
6. The signature of the person who have filled the Customer Application form on the paper carrier (with instructions of surname, name and patronymic, a function or a surname, a name and patronymics, a post of the person who have filled the questionnaire of the client in electronic form).
7. Other data, received by the organization.

Appendix 4 to Instruction №200
“On identification and verification of customer and
beneficial owner (beneficiary)”

**Necessary information on business relationship of client in conducting
individual transaction and their risk criteria**

Data on business relationship:

- Type of operation and the base of its conducting;
- Date of conducting and the sum of transaction;
- Economic purpose and principles of operation;
- Sources of cash of conducted operations;
- Necessary information concerning customer who conducts operation according to Appendix 1 and 2;
- Necessary information for identifying of individual and legal persons, who conduct operations according to his assignments or on his behalf;
- Data on business relationship of operation participants;
- Data on recipient and state of recipient’s transfer.

Measures and principles of business relation risk in conducting individual transactions:

- Individual transaction of client with such states (territories) where the international requirements on anti-money laundering and anti-terrorism financing (hereinafter AML/CFT) (according to the list established by authorized body or the international organizations) are not implemented, and also with those countries to which sanctions declared by the United Nations Organization are applied;
- Client conducts transactions attracting the large sums, business relations or individual transactions who also conducts transactions with attraction of large sums;
- The client conducts business relations or makes individual operation with political exposed persons, with members of their family and persons connected with them;
- Business relations or individual operation through the account through which any operation (transaction) was not conducted last six months;
- Conditions of operation or transaction (business relation) do not converge with business character of the client;
- Conditions of such transactions (business relations) generally accepted in sphere of business traditional business relations do not converge etc.