

Chapter 1

Commission Delegated Regulation (EU) 2019/758

Article 8 Additional measures

Credit institutions and financial institutions shall take the following additional measures pursuant to Article 3(2), Article 4(2), Article 5(2) and Article 7(2) respectively:

(a) ensuring that their branches or subsidiary undertakings that are established in the third country restrict the nature and type of financial products and services provided by the branch or subsidiary undertaking in the third country to those that present a low money laundering and terrorist financing risk and have a low impact on the group's risk exposure;

(b) ensuring that other entities of the same group do not rely on customer due diligence measures carried out by a branch or subsidiary undertaking established in the third country, but instead carry out customer due diligence on any customer of a branch or subsidiary undertaking established in the third country who wishes to be provided with products or services by those other entities of the same group even if the conditions in Regulation 39(6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 are met;

(c) carrying out enhanced reviews, including, where this is commensurate with the money laundering and terrorist financing risk associated with the operation of the branch or subsidiary undertaking established in the third country, onsite checks or independent audits, to be satisfied that the branch or subsidiary undertaking effectively identifies, assesses and manages the money laundering and terrorist financing risks;

(d) ensuring that their branches or subsidiary undertakings that are established in the third country seek the approval of the credit institution's or financial institution's senior management for the establishment and maintenance of higher-risk business relationships, or for carrying out a higher risk occasional transaction;

(e) ensuring that their branches or subsidiary undertakings that are established in the third country determine the source and, where applicable, the destination of funds to be used in the business relationship or occasional transaction;

(f) ensuring that their branches or subsidiary undertakings that are established in the third country carry out enhanced ongoing monitoring of the business relationship including enhanced transaction monitoring, until the branches or subsidiary undertakings are reasonably satisfied that they understand the money laundering and terrorist financing risk associated with the business relationship;

(g) ensuring that their branches or subsidiary undertakings that are established in the third country share with the credit institution or financial institution underlying suspicious transaction report information that gave rise to the knowledge, suspicion or reasonable grounds to suspect that money laundering and terrorist financing was being attempted or had occurred, such as facts, transactions, circumstances and documents upon which suspicions are based, including personal information to the extent that this is possible under the third country's law;

(h) carrying out enhanced ongoing monitoring on any customer and, where applicable, beneficial owner of a customer of a branch or subsidiary undertaking established in the third country who is known to have been the subject of suspicious transaction reports by other entities of the same group;

(i) ensuring that their branches or subsidiary undertakings that are established in the third country has effective systems and controls in place to identify and report suspicious transactions;

(j) ensuring that their branches or subsidiary undertakings that are established in the third country keep the risk profile and due diligence information related to a customer of a branch or subsidiary undertaking established in the third country up to date and secure as long as legally possible, and in any case for at least the duration of the business relationship.