

GUIDE FOR FOREIGN EMBASSY STAFF – BECOMING A CUSTOMER IN A NORWEGIAN FINANCIAL INSTITUTION

The purpose of this guide is to provide general information about access to financial services including bank account, payment services and insurance in Norway for foreign embassy staff.

1. Introduction - Access to financial services in Norway

Norwegian financial institutions have a duty to fulfill the requirements of the Norwegian [Act relating to Measures to Combat Money Laundering and Terrorist Financing \(Anti-money laundering Act\)](#) when providing financial services, e.g. a bank account. The purpose of the Act is to prevent and detect money laundering and terrorist financing. According to the act, the financial institution has an obligation to perform customer due diligence measures before establishing a customer relationship, also known as “Know Your Customer” (KYC). These statutory requirements make it mandatory for financial institutions to request personal information, valid proof of identity and other types of adequate documentation and make inquiries regarding what you need financial services for. Similar legislation exists in all EU/EEA Member States and is based on EU Directives. It should be noted that there are no exemptions to the AML/CFT – legislation for embassy staff.

Below is a description of the KYC process.

2. The Know your customer (KYC) process

Prior to establishing a customer relationship, the financial institution must gather the following information and documentation from each customer:

a) Personal information:

- Name
- E-mail and phone number
- D-number
- Official address in Norway
- Citizenship (s)
- Certificate of employment issued by the embassy

b) Valid proof of identification. This can be:

- Valid passport
- Valid Norwegian national ID card
- Valid national ID card from an EU/EEA country

c) Identity card issued by the Norwegian Ministry for Foreign Affairs:

Identity cards are issued to all staff on diplomatic missions, at career consular posts or in international organizations. This also includes family members who form part of their household.

d) Information on Politically exposed person (PEP)-status or relations to PEP:

A financial institution is required to ask if the customer holds a prominent public function (is a PEP) prior to establishing a customer relationship. PEP is a person who has been entrusted with a prominent public function in a country. Due to the position and influence, a PEP is considered to hold a position which constitutes a risk of being exploited, for example for bribery and corruption. According to the Anti-money laundering Act an ambassador is considered to be a PEP. The financial entity must apply adequate measures to establish the PEP's source of wealth and the source of funds. Please note that the requirements regarding a PEP extends also to the PEP's closest family members and to the PEP's known close associates.

e) Information regarding the purpose and intended nature of the customer relationship:

The customer must also be able to explain why he/she needs the financial services and the intended use. It may be that the customer wants to deposit salary or other income into an account, pay rent and bills, transfer money to others or save money. As a general rule the financial institution may ask about the source/origin of the customers money. This follows specifically from the AML Act.

The European Commission has listed a number of countries as high-risk third countries and the financial entity need to establish whether the customer has ties to any of the countries on that list. If so, the financial entity must apply risk mitigating measures in the form of enhanced customer due diligence, and e.g. obtain further information regarding the customers' source of wealth.

f) Personal information and valid proof of identification on persons holding disposal rights:

Staff that are supposed to have disposal rights at the embassy's bank account must also provide the bank with written documentation concerning this (e.g. power of attorney). Please note that the financial institution may request additional information and documentation before establishing a customer relationship.

3. Obligation to ongoing monitor a customer relationship

After establishing a customer relationship, transactions and activities carried out by the customer must be monitored for signs of money laundering and terrorism-financing. If the financial institution detects circumstances which may indicate that funds are associated with money laundering or terrorist financing, or if the financial institution do not understand a transaction in light of the information provided by the customer when establishing the customer relationship, further examinations shall be conducted. If, after further

examinations, there are circumstances giving grounds for suspicion of money laundering or terrorist financing, the financial institution shall submit information to Økokrim (the Norwegian Financial Intelligence Unit on such circumstances). The financial institution could also be forced to close an existing account if the KYC – information is not or cannot be kept updated.

4. Termination/offboarding

If the financial entity cannot obtain relevant and sufficient KYC-information, the financial institution is legally obliged to deny the customer a customer relationship or, if possible, offer a limited range of products and services.

The financial institution needs to keep the KYC-information constantly updated, and it may be necessary to contact the customer on an ongoing-basis to verify that the information is still valid or to ask new questions. If the customer does not answer or provide relevant documentation, the financial institution can be obliged to terminate the customer relationship.

5. How to prepare for a meeting with your financial institution, i.e. your bank

- Consider what kind of documents you must bring/send to the financial institution.
- You must be able to speak to those who work at the financial institution yourself (English) or aided by necessary assistance.
- The financial institution will ask you about the origin of your funds and how you will use the financial institution's services.

6. When leaving Norway

The customer needs to close his/her bank account and terminate other financial services and products before he/she ends their diplomatic mission and leave Norway.

In situations where all staff at an embassy is changed, it would normally ease the onboarding process to inform the financial institution about this in due time and book a time with the financial institution to onboard the new embassy staff.