

- 2) Banks shall develop appropriate compliance management arrangements which at a minimum include:
 - a) designation of a compliance officer at the management level; and
 - b) ensure application of all laws related to anti-money laundering and combating terrorist financing; these directives; and internal policies, procedures and controls when establishing customer relationships and conducting ongoing due diligence.
- 3) Banks shall maintain an adequately resourced and independent internal audit function to test compliance with laws; directives of the National Bank of Ethiopia; and internal policies, procedures and controls.

4. Customer Identification and Due Diligence

- 1) Banks may not keep anonymous accounts or accounts in fictitious names;
- 2) Banks shall not enter into, or continue, correspondent banking relationships with shell banks.
- 3) Banks shall undertake customer due diligence measures when:
 - a) establishing business relations with a customer;
 - b) carrying out occasional cash transaction with a customer, which at a minimum exceeds Birr 200,000, USD 10,000, or equivalent in other foreign currencies; this shall include situations where the transaction is carried out in a single operation or in several operations that appear to be linked or structured;
 - c) there is a suspicion of money laundering or terrorist financing, regardless of any exemptions or thresholds that are referred to under these directives; and
 - d) they have doubts about the veracity or adequacy of previously obtained customer identification data.
- 4) Banks shall identify the customer, whether regular or occasional, natural or legal person or legal arrangement, and verify that customer's identity using as much as possible reliable and independent source documents, data or information.
- 5) Identification requirements for natural persons shall include, at a minimum:
 - a) given or legal name and all other names used;
 - b) permanent address;
 - c) telephone number, fax number and e-mail address, if available;
 - d) date and place of birth, if possible;
 - e) nationality;
 - f) occupation, public position held and/or name of employer;
 - g) type of account; and
 - h) signed statement certifying accuracy of the information provided.

