

Directive on

Reporting Cash Deposits In Excess of the Designated Threshold Amount

Purpose

In order to combat money-laundering and prevent financing of terrorism and in the effective implementation of the Executive By-Law of the Anti-Money Laundering Act No. 181434/T 43182K of 5 December 2009 issued by the Ministers member of the Work Group for the Adoption of By-Laws of the Anti-Money Laundering Act and further amendments, especially article 26 of the By-Law, this Directive on "Reporting Cash Deposits In Excess of the Designated Threshold Amount" is hereby notified.

Definitions

Article 1- The terms and phrases used in this Directive have the following definitions:

1-1- Central Bank: Central Bank of the Islamic Republic of Iran;

1-2- Financial Institutions: banks (including Iranian banks and branches and representative offices of foreign banks based in the Islamic Republic of Iran), non-bank financial institutions, credit cooperatives, interest-free loan funds, leasing companies.

Note: A financial institution includes a branch or representative office existing in the free trade and industrial zones and the special economic zones of the Islamic Republic of Iran.

1-3- National ID of Legal Persons: means a unique number that is allocated to all legal persons, according to By-Law No. H39271 T/16169 of Apr. 18, 2009.

1-4- Designated Number of Foreign Persons: means a unique number that is allocated to all foreigners related to I.R. Iran by the National Database for Foreign Nationals, according to By-Law No. H40266T/ 16173 of Apr. 18, 2009.

1-5- Financial Intelligence Unit (FIU): means a centralized and independent unit that is responsible to receive, analyze and refer the reports about suspicious transactions to the competent authorities as specified in article 38 of the By-Law.

1-6- By-Law: Executive By-Law of the Anti-Money-Laundering Act No. 181434/T 43182K of 5 December 2009 issued by the Ministers member of the Work Group for the Adoption of By-Laws of the Anti-Money Laundering Act and further amendments.

1-7- Designated Threshold Amount: as defined in article 1 (G) of The Executive By-Law of the Anti-Money Laundering Act.

1-8- Cash: means any type of coins and banknotes and checks of various kinds whose transfers is not being documented and is untraceable, such as ordinary bearer checks and other checks whose bearer is a party other than the first beneficiary (such as the endorsed checks by third parties, travelers, checks, Iran checks and the like).

1-9- Customer:

- a natural or legal person who has an account in a financial institution, or a bank account is opened by or on behalf of that person;
- any natural or legal person who is in another banking or credit service relation with the financial institution (or other beneficiary or beneficiaries) and from whom various risks, especially risks to reputation and operations, may arise for the financial institution.

Article 2- If a payment or deposit by the customer exceeds the designated threshold amount, a cash payment report (attached form) must be fully and precisely completed and signed by the customer and submitted to the financial institution. If the customer is unable to complete the form, the report shall be completed by the personnel of the financial institution and verified by the customer.

Note: the inclusion of the national ID number for natural persons, the national ID for legal persons or the designated number of foreign persons (as the case may be), and also the reason for payment or deposit of the relevant funds in cash must be stated in the form. This information must be provided for all persons relevant to the transaction (payer, account holder, endorsers of checks, etc.).

Article 3- After completion of the attached form, the relevant personnel of the financial institution must check the information provided against the identification documents of the customer in accordance with the regulations stipulated in the Directive on Identification of Customers in Financial Institutions, and only thereafter deposit or transfer the funds of the customer. In this respect:

- If the customer does not complete the form, or refrains from providing information that would enable the personnel of the relevant financial institution to complete the form, the personnel of the financial institution are obligated to accept the funds from the customer, but shall inform the Financial Intelligence Unit of the issue and designate the matter as “urgent”. In such cases, the provision of services to the customer shall be suspended until the issue is clarified. The relevant actions must be carried out without informing the customer.

- If there is ambiguity about the truth of the information or document provided by the customer, the financial institution's personnel must inquire into the issue from other information terminals and systems and relevant officials until the issue is resolved. In such cases, the provision of services to the customer shall be suspended until the issue is clarified. The relevant actions must be carried out without informing the customer. If the identification of the customer is not possible, the financial institution shall cease providing services to the customer. The relevant personnel of the financial institution shall state the reasons for terminating services in the attached form and submit the same to the relevant authorities.
- If information provided by the customer is not valid or the customer's identification card is forged, the financial institution shall immediately report the matter to the Financial Intelligence Unit. In such cases, the provision of services to the customer shall be suspended for one work day. After this period and upon the provision of a judicial order by the Financial Intelligence Unit to the financial institution, further action will be taken in accordance thereto, otherwise the provision of services to the customer will resume.

Article 4- If the explanations provided by the customer about the source of the cash exceeding the designated threshold amount, and the reasons provided for depositing cash are not convincing, or for any other reason, there is a suspicion of money-laundering or the financing of terrorism, the relevant official shall, in addition to submitting the report subject of this Directive, also submit the report on suspicious transactions in accordance with the regulations set forth in the Directive on Identification of Suspicious Transactions and Method of Reporting.

Article 5- After completing the report, the official shall submit the report to the branch director for combating money laundering, so that after evaluation and conclusion of the information provided, all completed reports will be submitted to the financial institution's unit on anti-money-laundering at the end of each day. A copy of all completed reports shall be kept at the branch.

Article 6- The financial institution's Anti-Money Laundering Unit shall, upon receiving reports from the branches, evaluate and classify them. All received reports with any complementary explanations shall be sent to the Financial Intelligence Unit until the end of that day in the defined format.

Article 7- The financial institution must maintain the documents and information relevant to the deposit of cash exceeding the designated threshold amount which it has obtained and documented while providing services to a customer for a period of at least five years after the end of the transaction. The maintenance of such records must be such that upon request by competent authorities, the information can be provided in the shortest possible time.

Article 8- The financial institution must design its software such that in addition to registering all cash deposits and payments, it will render the payment of cash in excess of the designated

threshold amount to a customer impossible. Should a customer insist on receiving cash in excess of the designated threshold amount, the financial institution shall report the matter to the Financial Intelligence Unit.

Article 9- In order to effectively implement the regulations set forth in this Directive, the financial institution must design and use its required systems and software such that it is ensured that the personnel of the financial institution are carrying out the relevant duties.

Article 10- The financial institution shall design the software relevant to cash deposits, such that it will include information on the type and composition of the cash provided by the customer and the value of each of those so that it is possible to rebuild the cash transactions in excess of the designated threshold amount.

Article 11- The financial institution shall designate in each branch a person responsible for explaining to the customer the necessity of reporting cash deposits in excess of the designated threshold amount, so that in cases where questions may arise the issue will be sufficiently explained to the customer.

This Directive has been approved in the eighth session of the High Council on Anti--Money Laundering on 9 February 2011 in 11 articles and two notes and is effective from the date of notification.

Natural Persons

Name and surname:

ID number:

Date of birth:

Father's name:

National ID No.:

Occupation:

Personnel member:

Telephone number:

Postal code:

Residential address:

Legal Persons

Company's name:

National ID
of legal person:

Economic code:

Address:

Postal code:

Name and surname of
payer/withdrawer:

National ID No.:

Foreign Persons

Name and surname:

Country:

Nationality:

Designated number
of foreign person:

Passport number:

Transaction Details

Name of bank:

Account number:

Date:

Sum:

Type of currency:

Type of transaction:

Explanations (origin of funds):

Signature of customer:

Branch:

Personnel number of user:

User signature:

Explanations: