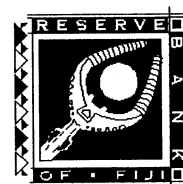




FijiFIU

Fiji Financial Intelligence Unit



Advisory Financial Transactions Reporting Act

Reference: 4/2007

Date: 14th June 2007

Re: Identification and Verification of Occasional Customers

A. *Type of Customers covered under this Advisory*

1. An “occasional customer” is also referred to as:
 - a customer who does not have an on-going business relationship;
 - an “off-the-street” customer;
 - a non-regular customer.
2. This advisory covers occasional customers that request for transactions equivalent to \$5,000 or more or its equivalent in foreign currency.
3. Examples of transactions with occasional customers that are covered by this Advisory are:
 - Encashment of foreign currency in cash equivalent to \$5,000 or more
 - Conversion to foreign currency using cash equivalent to \$5,000 or more
 - Telegraphic transfer or draft purchase using cash equivalent to \$5,000 or more
 - Purchase of bank cheque using cash equivalent to \$5,000 or more
 - Telegraphic transfer received for cash payment upon application and identification for \$5,000 or more;
 - any other transaction conducted in cash equivalent to \$5,000 or more by an occasional customer.
4. This Advisory does not apply to any occasional transaction not exceeding \$5,000 or its equivalent in foreign currency.

B. *What is the scope of identification for occasional customers?*

5. A financial institution must identify and verify the identity of all occasional customers with transactions of \$5,000 and above or its equivalent in foreign currency. (FTR Act s4.9 and FTR Regulation 2.1).
6. A financial institution identify and verify the following information about the occasional customer (FTR Regulation 7):
 - i.name of the customer;
 - ii.permanent residential or business address in Fiji;
 - iii.date of birth;
 - iv.the occupation, business or principal activity (including name of employer or nature of self-employment or business);
 - v.specimen signature;
 - vi.source of funds;
 - vii.citizenship.

7. A financial institution must use the documents outlined in FTR Regulation 8 to *identify* and *verify* the details of the occasional customer listed above.

C. *Should a financial institution refuse conducting an occasional transaction if the customer has not produced the required identification documents?*

8. If an occasional customer who intends to conduct a transaction in cash of \$5,000 and above is unable to or refuses to produce satisfactory evidence of his or her identity as required by FTR Regulation 7 and 8, a financial institution must apply one of the following options:

i. If the occasional customer is considered a low risk customer, the financial institution may proceed with the transactions on the condition that the customer provides evidence of his or her *name; permanent residential or business address in Fiji, date of birth and specimen signature.*

ii. If the occasional customer is considered a high risk customer, the financial institution should refuse the transaction and not proceed any further with the transaction.

9. A financial institution should determine and document as part of its internal AML policy what it considers to be “high-risk” and “low-risk” customers.

D. *Should a financial institution raise an STR if an occasional customer fails to produce satisfactory identity documentation?*

10. If the occasional customer fails or refuses to produce satisfactory identity documentation and the financial institution considers the reasons for the customer’s failure or refusal to provide these documentations as unreasonable and suspicious, than the financial institution must report this attempted transaction as a suspicious transaction.

11. If the customer’s inability to produce satisfactory identity documentation is due to reasons which the financial institution considers reasonable and the customer is a low risk customer, than the financial institution is not obliged to report this as a suspicious transaction.

12. Financial institutions should consult their relevant supervisory authority or the FIU should they wish to seek further clarification.



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