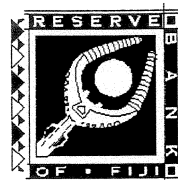


FijiFIU

Fiji Financial Intelligence Unit



Advisory Financial Transactions Reporting Act

Reference:2/2010

Date: 27 August 2010

Re: Use of a Referee Letter to Verify a Customer's Identity

A. Purpose of this Advisory

1. The purpose of this Advisory is to provide advice and clarification on customer identification requirements under the Financial Transactions Reporting (FTR) Act for financial institutions that rely on a referee letter for verifying a customer's identity.

B. Financial Institutions Covered Under this Advisory

2. This Advisory applies to all financial institutions that are covered under the FTR Act. This Advisory also applies to mobile phone banking service providers and their agents.

C. Customers Covered Under this Advisory

3. This advisory applies to customers or clients who:
 - i. are considered as having a low risk of engaging in money laundering and terrorist financing activities; and
 - ii. do not have or are unable to provide any formal identification documents under normal circumstances.

D. Customer Identification Requirements for Individuals

4. Financial institutions are required to identify and verify their customers under section 4 of the Financial Transactions Reporting (FTR) Act and Part 2 of the FTR Regulations.
5. Pursuant to section 4(4)a of the FTR Act, for the purpose of verifying customers defined in section C above, financial institutions may rely on a letter from a suitable referee (commonly referred to as a "referee letter") which captures the customer's :
 - i. Name¹;
 - ii. Date of birth;
 - iii. Address; and
 - iv. Occupation.
6. The referee letter should be signed by a suitable referee as outlined in section 12.4 of *FTR Guideline 4 on Customer Identification and Verification (2009)*.

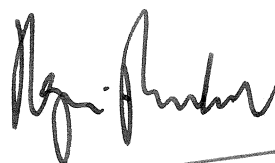
¹ This means the "true name" of the customer. It is an offence under the FTR Act for persons to use false or fictitious names.

E. Customer Identification Requirements for Unregistered Small and Sole Trading Businesses and Micro-Finance Businesses

7. Pursuant to section 4(4)a of the FTR Act, for the purpose of verifying customers defined in section C above who are unregistered *small and sole trading businesses and micro-finance businesses*, financial institutions may rely on a letter from a suitable referee which captures the customer's :
- i. Name;
 - ii. Date of commencement of business;
 - iii. Business Address;
 - iv. Nature of Business.
8. The referee letter should be signed by a suitable referee as outlined in section 12.4 of *FTR Guideline 4 on Customer Identification and Verification (2009)*.

F. Internal Controls on Customer Transactions

9. Financial institutions may implement additional internal control measures, such as transaction and balance limits, for these customers who provide only a referee letter for their customer identification requirements.
10. Financial institutions should consult the FIU should they wish to seek further clarifications.



**Razim Buksh
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Financial Intelligence Unit**