



# FijiFIU

Fiji Financial Intelligence Unit



---

## FIU Policy Advisory Financial Transactions Reporting Act

Reference: 1/2018

Date: 8 August 2018

**Re: Parenthood Assistance Payment Programme**

*This Policy Advisory is issued pursuant to the powers of the Financial Intelligence Unit under the Financial Transactions Reporting Act No.22 of 2004 [Section 25.1.j] and the FTR Regulations [Section 21.6 and 35] to provide guidance to financial institutions on the risk-based implementation of the requirements of the Act and Regulations*

---

### **A. Application of Policy Advisory**

1. This *Policy Advisory* is applicable to commercial banks in relation to customers who open accounts under the Government's Parenthood Assistance Payment (PAP) programme.
2. This *Policy Advisory* is effective immediately.

### **B. Purpose of Policy Advisory**

3. The purpose of this *Policy Advisory* is to provide clarification on the customer due diligence (CDD) requirements under the Financial Transactions Reporting (FTR) Act and how it applies to recipients of the PAP programme.

### **C. CDD Requirements under the FTR Act**

4. Banks are required to identify and verify their customers under Part 2 of the Financial Transactions Reporting (FTR) Act and Part 2 of the FTR Regulations.
5. These identification and verification measures may be applied on a risk-based approach as outlined in sections 3, 21 and 29 of the FTR Regulations.
6. Under section 21(1) and 21(4) of the FTR Regulations, for low risk customers, banks are required to identify and verify the customer's:
  - a. name;
  - b. address; and
  - c. occupation; including name of the employer or if the customer is self employed, the nature of self-employment or business.
7. FTR Enforceable Guideline 4 (2009) provides detailed customer identification and verification requirements.

***D. CDD Requirements for PAP Programme***

8. Bank accounts of the recipients of the PAP programme are to be opened in the child's name as the customer.
9. The parent or guardian who applies for the assistance on behalf of the child will be the trustee and signatory of the bank account.
10. Identification and verification of the customer and the trustee must be applied on a risk-based approach.
11. In view of the source of funds, purpose and initial value of the PAP assistance payment, this customer and account should be assessed as having a low risk for money laundering and terrorist financing.
12. Thus, banks may apply the reduced identification and verification procedures as outlined in section 21(4) of the FTR Regulations to both the customer (child) and the trustee/signatory (parent/trustee) of the account. This will consist of the following:
  - d. identify and verify the customer's *name* to his/her birth certificate;
  - e. identify and verify the customer's *address* to the residential address of the parent/guardian as provided in the Application Form;
  - f. identify and verify the trustee's *name* to his/her birth certificate;
  - g. identify and verify the trustee's *address* to the residential address declared on the Application Form.
13. The customer's occupation can be recorded as an "infant" or "child".
14. If the trustee is employed, the bank must collect details of his/her employment and further rely on his/her declaration of annual income as provided in the Application Form.
15. If the trustee is unemployed, his/her occupation should be recorded as domestic duties or unemployed.

***E. Ongoing Monitoring of Customers***

16. Banks should conduct ongoing monitoring of transactions in these accounts of PAP programme recipients.
17. In view of the low risk for money laundering and terrorist financing associated with this account and customer, banks may reduce the degree of on-going monitoring and scrutiny of transactions of these accounts, based on a reasonable monetary threshold as maybe specified in the bank's internal policies and procedures.

***F. Other Requirements***

18. The other requirements of the FTR Act, FTR Regulations and FIU Enforceable Guidelines relating to record keeping and reporting of transactions also apply to these accounts.
19. Banks should consult the FIU should they wish to seek further clarification.

  
**Razim Buksh**  
**Director**