

**NATIONAL BANK OF YEMEN**  
**CUSTOMER ACCEPTANCE POLICY**

Date	Version	Created by	Reviewed by	Approved by
27.Nov.2023	0.0	Fanar S. Al-Soufi Supervisor of Compliance Unit	Faisal M. Al-Soudi Head of Compliance Unit	Board of Directors Compliance Committee

As customer acceptance policy one of the key elements of KYC, the bank established a customer acceptance policy on 2023 approved by the board of directors and compliance committee and will updated from time to time.

To ensure compliance with applicable and regulatory requirements the bank branches shall be accept customer in accordance with the said policy:

- 1- The bank shall not allow opening or keeping anonymous accounts.
- 2- The bank shall not allow opening numbered accounts.
- 3- The bank shall not allow opening an account on behalf of the person who identity has not been disclosed or cannot be verified.
- 4- Necessary checks shall be undertaken before opening new account to ensure that identity.
- 5- The bank shall not deal with any shell banks.
- 6- Senior management shall consider and make the final decision to engage in any business relationship or accept customer's transaction with High-Riskcustomers.
- 7- Transactions and continuous review of customer information needs to be conducted.
- 8- Transactions movements to be tracked continuously.
- 9- Transactions reports shall be carried out in accordance with AML/CFT and once suspicious transactions constitute ML/TF are detected needs to be notified immediately.



10- Customers shall be classified into High or Medium or Low risk category.

❖ **The following types of clients can be classified as Low Risk clients:**

- Any clients whose identities and source of income can be easily tracked by the bank.
- Client prior transactions match his profile.
- Clients not in any sanctions list.
- Clients who are resident in Yemen.
- Employees whose salary structures are defined
- Government departments and government owned companies etc.
- The bank should use Standard Due Diligence SDD on their Low-Risk customer

❖ **The following types of clients can be classified as Medium Risk clients:**

- Any client lack sufficient information and documents is normally categorized as medium risk customer.
- Where the client profile of the person opening the account according to the branch is uncertain or doubtful.
- Companies or institutions or businesses which are not bound to publish the financial statements.
- Companies that conduct transactions in cheques.
- Individual that conducts transactions in cheque.
- Real estate dealers.
- Travel agencies etc.
- The bank should conduct Customer Due Diligence CDD on their medium - risk customers and CDD should be used before establishing business relationships as well as CDD checks also be performed following a suspicious transactions.

❖ **The following types of clients can be classified as High-Risk clients:**



- Trusts, Charities Non-governmental organization (NGO).
  - Nonresident customers doing business in Yemen.
  - Non face to face customers.
  - Politically exposed persons (Peps), customers who are close relatives of peeps.
  - Entities whose ultimate beneficial owner is a politically exposed person.
  - Companies having close family shareholding or beneficial ownership.
  - Customer with dubious reputation.
  - Customers linked to High-Risk countries.
  - Cash intensive businesses such as stores restaurants etc.
  - High value businesses such as jewelers etc.
  - Customer from high-risk business sectors etc.
- The bank should conduct Enhanced Due Diligence EDD, RBA and ongoing monitoring for High-Risk customers and obtain senior management approval before establishing a relationship and to take reasonable measures to establish the source of wealth and the source of funds.

12- Source of funds, income or wealth of beneficial owners of the account holding 10% or more share of the account should be obtained at the time of opening the account.

13- The bank should be collecting the following data when establish business relationships with:

❖ **Individual ( Resident Customer ):**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Full and accurate name.
- Parents names in full
- Spouse name







- Date of birth
- Contact information such as phone number or mobile number, email address.
- Permanent address
- Photograph of account holder.
- Valid ID card.
- Nationality
- Current Occupation.
- Type of account.
- Purpose for which the account opened.
- Expected volume of business.
- Expected mode of transactions.
- Signatures.
- Copy of utility bills not over three months old.
- Copies must certified by the original.

❖ **Individual – (Non-Resident ):**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Full name and address.
- Name of husband and wife .
- Date of birth.
- Contact information such as phone number or mobile number, email address.
- Permanent address.
- Photograph of account holder.
- Residence certificate.
- Copy of valid passport.
- Copy of the valid visa.
- The reason for opening the account in Yemen.





- Type of account
- Copy of utility bills not over three months old.
- Nationality
- Occupation.
- Source of earnings.
- Expected volume of business.
- Expected mode of transactions.
- Signatures.
- Nature of business to determine from publicly available information the reputation of the customer
- If any of documents towards proof of identity or proof address specified in a foreign language they have to be translated in to Arabic or English language by a certified translator.
- Copies must certified by the original.

❖ **Minors :**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Full and accurate name.
- Parents name in full.
- Date of birth.
- Current or permanent address.
- Contact information such as phone number or mobile number, email address.
- Photograph.
- Birth certificate.
- Copy of utility bills not over three months old.
- Copies must certified by the original.

❖ **Natural Persons – (Peps):**





As per FATF guidance the bank defines Peps as below:

➤ DOMESTIC PEP:

Individuals entrusted with prominent domestic public functions that may include heads of state of government, senior politicians, senior government or military officials, senior executives of state-owned corporations, important political party officials.

➤ FOREIGN PEP:

Individuals entrusted with prominent public functions by a foreign country that may include head of state of government, senior government senior politicians, senior government military officials, senior executives of state-owned corporations' important political party officials.

Before establish business relationship with any prospective customer, appropriate customer due diligence (CDD) is required to be undertaken and recorded.

If the client Relatives and Close Associates the following procedures shall apply:

- 1- Request letter to bank for opening a bank account
- 2- KYC application form filled out and complete all required fields
- 3- Customer identity
- 4- Nature of services
- 5- Name of the state in which represented by the (peps)
- 6- Functions or previous political activities
- 7- Screening customer against bank system
- 8- If the bank will be involved in a business relationship with Peps obtaining the approval of senior management for establishing or continuing the business relationship.
- 9- Conduct continuous monitoring to all transactions (withdrawal ,deposits ,transfers etc.)



The above information is useful for a bank in understanding the nature and purpose of the customer relationship and in determining the ML/TF.

- If the client not respond to the bank request and not provide information or documents the bank shall not establish a business relationship with the bank.
- KYC application form filled out and complete all the required fields for all categories.

❖ **Embassies :**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Type of account
- Nature of account.
- Name of residents and those who operate the account.
- Diplomatic ID card certified by the ministry of foreign affairs.
- Valid passports with visa of the authorized officials.

❖ **Societies , NGO , Charities , Organizations etc :**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- List of directors
- Registered name, number and address.
- Copy of Certificate of Registration to be obtained and verified against the original.
- Signatories.
- Photograph of the signatory.
- Members of the governing body who has control and influence over the operations of the entity as in the case of individual accounts.







- Board resolution authorizing the account opening and to be obtained and verified against the original.
- The source of income.
- Phone numbers and email address.
- Who are authorized to operate the account shall be subject to EDD.
- The bank must review and monitor all their existing relationships.

❖ **Public Companies:**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Photograph of all directors.
- National ID card of all directors.
- Passports of all directors.
- Certificate of Incorporation.
- Memorandum and Article of Association.
- Resolution of the board of directors to open an account.
- ID of those who have authority to operate the account.
- Nature of business.
- Expected monthly turnover.
- ID of beneficial owners holding 5% interest or more having control over the company assets.

❖ **Private Companies:**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Photograph of all directors.
- National ID card of all directors.







- Passports of all directors.
- Certificate of Incorporation.
- Memorandum and Article of Association.
- Resolution of the board of directors to open an account.
- ID of those who have authority to operate the account.
- Nature of business.
- Expected monthly turnover.
- ID of beneficial owners holding 5% interest or more having control over the company assets.

❖ **Government Owned Entities:**

- Request letter to bank for opening a bank account.
- KYC application form filled out and complete all the required fields.
- Photograph of the signatories
- Resolution of the board to open account.
- ID of those who have authority to operate the account.
- Copy of valid national ID card.
- Copy of valid passport.

❖ **Correspondents and account with banks :**

- Request letter to bank for opening a bank account.
- AML/CFT and sanctions questionnaire filled out and complete all the required fields .
- Passports of all directors.
- National ID card of all directors.
- Biographies of all directors.
- Certificate of Incorporation.
- Memorandum and Article of Association.
- Copy of the board resolution to open the account relationship with the bank.





- Identification of those who have authority to operate the account.
- Nature of the bank business.
- Internal policy on AML/CFT.
- Identity of beneficial owners holding 5% share or more of having control over the entity assets and person or person on whose instructions the signatories of the account act where such person may not be full time employee officer, director of the entity.
- Source of funds verification such as last financial statements certified by a professional accountant.
- Purpose for which the account opened.
- Copies must certified by the original.
- The bank shall ensure the data of all customers are corrected and updated.
- The bank shall request the client to updated data and if client fails to accommodate the bank's request the business of the client is subject to restriction.

❖ **Non-Face -to- Face Customer :**

The bank should apply effective customer identification procedures for non-face- to-face customers and adequate measures to mitigate higher risk as well as put policies in place to address, the specific concerns which may arise with non-face-to-face business relationships or transactions.

- Telephone contact with the customer at a residential or business number that can be verified independently.
- Confirmation of the customer's address through an exchange of correspondence or other appropriate method.
- Confirmation of the customer's salary details by requiring the presentation of a recent job letter or a bank statement.
- Provision of identification documents certified by relevant authorities.





❖ **Walk-in Customers :**

- The bank provides Buying, selling currency, transfer money and cashing checks services for a Walk-in customers.
- In case of transactions carried out by a walk-in customer the amount of transaction is equal or does not exceed more than YER One Million or its equivalent in other currencies the identity and address shall be verified by obtaining KYC documents and records are to maintained updated in the system.
- The bank shall take reasonable procedures to determine source of funds and wealth to ensure the level and type of transactions conducted by the customer consistent to their knowledge to determine customer's ML/TF risk.
- The customer must fill in and complete a report of cash payments over \$10,000 form issued by the Anti-Money Laundering Committee (Cabinet), and if need be, it put controls in place to mitigate that risk.
- In order the bank not to be exposed to risks due to a lack of sufficient information, the bank does not accept transaction until classification shall be within the following categories:

**Citizen Persons:**

Transaction don't involve or exceeding more than One Million YER or its equivalent in other currencies and complete ID information, passport, nationality and Proof of address verification by current utility bill including landline telephone , electric and water and copies must certified by the original.

**Non - citizens or Visitors:**

- Transaction don't involve or exceed more than YER One Million or its equivalent in other currencies within the validity period of the visa and complete passport information to be kept including visa stamp and number of entry and copies must certified by the original.





- When remittances accepted and allowed a copy of the passport, including the visa page, must be obtained, details of address in country of origin, contact point and signature. In case an unusual existed, the bank consider filing a suspicious transaction report to the FIU Aden with supporting documentation, transaction and customer details.

❖ **Know Your customer's customer (KYCC) :**

- Obtaining true name ,address ,type of business etc. of customer's
  - Checking background of the customer's customer.
  - Monitor the transaction occurred by the customer's customer.
  - Monitor the customer's customer business.
- This program ensures the highest level of compliance in AML/CFT.

❖ **Know Your Employee (KYE) :**

This program allows the bank to understand an employee's background, conflicts of interest to ML policies, procedures, internal control, and Job description.

❖ **Monitoring and Reporting of Suspicious Transactions:**

Ongoing monitoring of accounts is an element of AML and KYC procedures, the bank should generate necessary reports and alerts based on their client's profile, nature of business to detect and identify such transactions.

**Below list of circumstances of suspicious transactions (Scenarios):**

- Risk economic sector suspicious.







- Risk occupation suspicious.
- Inward risk suspicious countries.
- Risk manual alert suspicious.
- Outward risk suspicious countries.
- Cash deposits exceeding 10,000000 YER or its equivalent.
- Daily Cash withdrawal exceeding 10,000000 YER or its equivalent.
- Daily Cash deposits and withdrawal exceeding 10,000000 YER or its equivalent.
- Customer monthly income of the customer exceeds the expected monthly income limit mentioned in the KYC.
- Cash deposits of small amount the value exceeds during time period that is inconsistent with mentioned in the KYC.
- Incoming or outgoing external transfers.
- Customer checker / outside black list.
- Customer checker / within black list.
- Check deposits for an amount greater than or equal to 10,000000 or its equivalent.
- Withdrawal by check for an amount greater than or equal to 10,000000 or its equivalent.
- Receive inward or issue external remittances not consistent with mentioned KYC.
- Receive inward transfers or issue external transfers made in small amounts such heir value exceeded during a limit of period greater than or equal 10,000 \$ or its equivalent.
- Local inward or outward transfers greater than or equal to 1,000000 YER or its equivalent.
- Receive local inward transfers or issue local transfers that are inconsistent with mentioned in KYC.
- Receiving domestic and international wire transfers to dormant account in an amount more than 800,000 or the equivalent in any other currencies.
- Recurrent inward and outward remittances where it's total during a limit of period inconsistent with mentioned in KYC.



- Buying or selling foreign currencies inconsistent with client activity or more than 10,000 USD.
- Buying or selling foreign currencies in small amounts where total is greater than or equal to 10,000 USD or its equivalent in any other currencies.
- Opening credit facility for a large amount 100,000 USD or its equivalent in any other currencies.
- Inward foreign remittances in to a dormant account for an amount greater than or equal to YER 1,000000 or its equivalent in any other currencies.
- Recurrent outgoing transfers from client's account for more than one person during a limit of period.
- Recurrent withdrawals money after deposit within a short period.
- A financial movement's convergence to debit and credit transactions in a short period .
- Multiple guarantees issuance inconsistent with client activity and nature of business.
- Cash deposits in dormant accounts.
- Withdrawal money from dormant accounts.
- A request to open a documentary credit.
- Repay loan before maturity.

❖ **Monitoring of the Customer Acceptance:**

Monitoring of the customer acceptance and customer care is the responsibility of all bank branches and head office.

❖ **Reporting Suspicious Transactions to FIU Yemen- Aden Governorate:**

The bank undertakes to report any suspicious activities and confidentiality of STRs filled in accordance with recommendation (20).



Recommendation (21) prohibits financial institutions their directors, officers and employees from disclosing the fact that an STR or related information is being reported to the FIU.

❖ **AML Record Keeping :**

Confidentiality of STRs and supporting documents will be maintained and only regulatory authorities need be informed about it and records will be maintained at least seven years.

❖ **Screening and Updating Customer Data:**

The bank shall screen and update data and documents of customers.

❖ **Training :**

Ongoing training programmes shall be conducted for all bank employees relating to the following:

- AML /CFT requirements.
- Requirements for adequate KYC procedures.
- Methods of recognizing suspicious transactions of client.
- Dealing with high money laundering risk products.
- Roles of MLOR.
- CAMS etc.

❖ **Refresher Training :**

The bank shall make a refresher training regularly to reinforce and update his employee's knowledge and skills on the area of AML/CTF to ensure that employees do not forget their responsibilities.



❖ Periodicity of Review:

Frequency review of this policy will be two years if there is any change in the guidelines issued by the bank during the operation period.

