BCBS GUIDE TO ACCOUNT OPENING: ABS COMMENTS

We thank the Basel Committee on Banking Supervision for the opportunity to comment on Consultative Document – General Guide to Account Opening.

The Association of Banks in Singapore generally agrees with the principles as set out in the Document as they are already being observed by banks in Singapore and are consistent with ABS's Guidelines to member banks. However, we would like to provide comments on the following for your consideration:

Paragraph 13: Permanent Address

We take it that permanent address refers to residential address. For instance in Paragraph 15(a) it is stated that banks may verify and confirm the permanent address with utility bill, letter from a public authority, etc. These documents would in most instances be sent to the residential address.

Paragraph 13: Place of Birth

We acknowledge that the Place of Birth may assist in the risk assessment of a customer. However, we would like to suggest that "Place of Birth" be requested as "Potential Additional Information" rather than a minimum requirement for the following reasons:

- Banks foresee the operational difficulty in collecting the "Place of Birth" information if the latter is not captured in the national identity document especially in light of the confidentiality and privacy laws.
- As a result of the above, it would be difficult to verify the information collected.
- We note that the "Place of Birth" information is not an existing KYC component required by the Monetary Authority of Singapore (MAS) or other Regulators such as the Hong Kong Monetary Authority.

Paragraph 15: Verification of Identity of Natural Persons with Independently Sourced Documents

We would like to confirm that "independently sourced documents" refer to documents issued by government agencies eg. identification card and provided by the customer rather than sourcing from an independent source (other than the customer). Banks would not be able to obtain copies of customers' identification documents from a source other than the customer.

Paragraph 25(b) Bullet Point 1: Non-documentary verification

We would like to suggest a minor change to the following sentence by replacing "ensure" with "check" - "*Undertaking a company search and/or other commercial enquiries to ~~ensure~~ check that the legal person has not been or is not in the process of being dissolved*."

In the adoption of a risk-based approach, Banks will on a best effort basis, find out if the customer is in the process of being dissolved by checking documents such as annual reports. However, the information captured in such documents may not be of a continuous nature and is as of a certain period only.

Paragraph 35: Retirement Benefit Programmes
Paragraph 36: Mutuals/Friendly Societies, Cooperatives and Provident Societies

It may be more appropriate to define trustee, administrator etc as Connected Parties rather than Beneficial Owners.

Note definitions in the MAS AML/CFT Notices:

"connected party"
(a) in relation to a legal person (other than a partnership), means any director or any natural person having executive authority in the legal person;
(b) in relation to a legal person that is a partnership, means any partner or manager1; and
(c) in relation to a legal arrangement, means any natural person having executive authority in the legal arrangement;

"beneficial owner", in relation to a customer of a bank, means the natural person who ultimately owns or controls the customer or the natural person on whose behalf a transaction is conducted or business relations are established, and includes any person who exercises ultimate effective control over a legal person or legal arrangement;

Thank you.

22 October 2015