

30 November 2023

Re: DNB Wwft Q&As and Good Practices

De Lage Landen International B.V. (hereinafter, **DLL**) welcomes the opportunity that De Nederlandsche Bank (hereinafter, **DNB**) provides for financial institutions to comment on the draft document “*DNB Wwft Q&As and Good Practices*”. We appreciate DNB’s efforts to obtain public opinions on the draft as a way to enhance the practicality of the document and ensure alignment with the expectations of applicable entities.

While we do acknowledge DNB’s clarity in presenting questions, answers, and good practices, DLL wishes to bring to DNB’s attention several suggestions and questions, identified during our review of the proposed document. Please find attached to this letter **APPENDIX – FEEDBACK TO THE DRAFT DNB WWFT Q&A AND GOOD PRACTICES**, which consists of our feedback to the relevant sections, together with the corresponding suggestions for your consideration.

We trust that DNB will carefully consider our feedback and, where necessary, provide additional clarifications or make adjustments. Furthermore, we would appreciate that DNB addresses these topics in the feedback statement where you respond to the consultation responses. Please publish our feedback only mentioning our company name “De Lage Landen International B.V.” or “DLL”.

Thank you for your attention to this matter. We look forward to contributing to the refinement of the guidance document.

APPENDIX – FEEDBACK TO THE DRAFT DNB WWFT Q&A AND GOOD PRACTICES

No.	Section No.	Title	Feedback	Suggestion
1.	N/A	General remark	In several places in the document, we read how DNB would like to see things set up at an institution. However, it is common for institutions to be part of a group. It is not always clear how your Q&A response and guidance on best practice could be applied in a group structure.	We would appreciate if you can take group composition into consideration when providing your Q&A response and guidance on best practice.
2.	3.4 and 3.7	Simplified customer due diligence, standard customer due diligence and enhanced customer due diligence	Use of self-declaration form for identification and verification (ID&V) of UBOs has been widely recognized in the EBA Risk Factor Guidelines and the NVB's risk-based Industry Guidelines. For low-medium risk customers, institutions are permitted to use UBO self-declaration form as a single source for ID&V. For high risk customers, self-declaration form is acceptable with additional verification from independent and reliable sources. We support this good practice and would ask DNB to consider including it in the Guidance Paper	We support this good practice and would ask DNB to consider clearly stipulating it in the document to encourage its adoption in practice
3.	3.4.2	Ultimate beneficial owner (UBO) & pseudo-UBO	The UBO requirement for government institutions and state-owned enterprises brings challenges in the execution, since (inter)national these type of customers are less familiar with these requirements and identifying the right UBO(s) is therefore more challenging	We would appreciate good practice examples of the execution of the UBO requirement for government institutions and state-owned enterprises
4.	QA3.19	Pseudo-UBO	As a fall back option when (i) no UBO can be determined based on ownership or control and (ii) if there are no grounds for suspicion of money laundering or terrorist financing, pseudo-UBO(s) should be identified. Other guidance documents clarify that the pseudo-UBO(s) should be identified on a local level, in a customer group structure.	We would ask DNB to confirm and mention as a good practice that a pseudo-UBO should be appointed on a local level, in a customer group structure

5.	3.5	Pseudo-UBO	The Wwft treats all type of UBOs the same, including the (pseudo)UBO. However, the added value of a Source of Wealth assessment on all pseudo-UBO that qualify as a PEP, does in most cases not add any value. As in this situation the purpose of a SoW does not match, it makes this requirement difficult to execute.	We would ask DNB to clarify if and if so, when, for a Pseudo-UBO a Source of Wealth assessment is required and what is the purpose behind it
6.	QA3.33	PEP	QA3.33 requires that <i>"A senior executive at the entity must approve decisions to enter into or continue a business relationship with a PEP or execute a transaction for a PEP"</i> . Could DNB clarify the (minimum) requirement that should be in place in this scenario. Who qualify as the "senior executive" that can sign-off in this scenario?	We would recommend further clarification on senior management approval as stated
7.	GP3.42	Structure with more than two layers	This example reads as if a structure with more than 2 layers is giving an increased risk. Although this is only a Good practice example, we believe this gives the wrong message. Only a structure with more than 2 layers should on itself not lead to an increased risk. It is other elements, as the jurisdictions or split in ownership and control lines in the structure can create an increased risk.	We would request an adjustment of this Good practice example