

Relevant sections of the law

This document contains an overview of the relevant sections of the law governing applications for authorisation as an electronic money institution

Authorisation	Legal basis	Link to relevant section of the law (Dutch only)
No party having its registered office in the Netherlands may issue electronic money without an authorisation issued by DNB.	Section 2:10a of the Financial Supervision Act (<i>Wet op het financieel toezicht – Wft</i>)	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=2&hoofdstuk=2.2&afdeling=2.2.1.a&paragraaf=2.2.1a.1&artikel=2:10a&z=2016-09-03&q=2016-09-03
On application, DNB grants authorisation to set up business as an electronic money institution if the applicant demonstrates that it satisfies the provisions set out in Section 2:10b(1), under a to i, of the <i>Wft</i> (the requirements, see below).	Section 2:10b(1) of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=2&hoofdstuk=2.2&afdeling=2.2.1.a&paragraaf=2.2.1a.1&artikel=2:10b&z=2016-09-03&q=2016-09-03
Requirements	Legal basis	Link to relevant section of the law
Suitability of policymakers	Section 3:8 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3:8&z=2016-09-03&q=2016-09-03
Required information	Section 3a(1), under I, and Section 3a(3) of the Decree on Market access of financial undertakings (<i>Besluit Markttoegang financiële ondernemingen Wft – BMfo</i>)	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.0&artikel=3a&z=2016-07-14&q=2016-07-14
Integrity of policymakers and co-policymakers	Section 3:9 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3:9&z=2016-09-03&q=2016-09-03
Required information	Section 3a(1), under m, and Section 3a(4) of the <i>BMfo</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.0&artikel=3a&z=2016-07-14&q=2016-07-14
Policy to safeguard ethical business operations	Section 3:10 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3:10&z=2016-09-03&q=2016-09-03
The institution must systematically analyse the integrity risks of its activities.	Section 10(1) of the Decree on Prudential Rules for Financial Undertakings (<i>Besluit prudentiële regels – Bpr</i>)	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01

The institution must ensure that the policy is translated into adequate procedures and measures.	Section 10(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01
The institution must inform all relevant business units of said policy, procedures and measures.	Section 10(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01
The institution is responsible for implementing and systematically testing the policy, procedures and measures.	Section 10(4) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01
The institution must provide for independent supervision of the implementation of the policy, procedures and measures to safeguard ethical business operations and must have procedures in place to ensure that identified shortcomings or deficiencies are reported to the officers entrusted with that duty (independent compliance function).	Section 10(5) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01
The institution must have procedures in place to ensure that identified shortcomings or deficiencies relating to ethical business operations are appropriately remedied under the supervision of the independent compliance function.	Section 10(6) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&q=2016-04-01
Minimum number of day-to-day policymakers and the location from which they operate	Section 3:15 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:15&z=2016-09-03&q=2016-09-03
Governance structure	Section 3:16 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:16&z=2016-09-03&q=2016-09-03
Operational management structure with respect to ethical business operations	Section 3:17 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:17&z=2016-09-03&q=2016-09-03
The institution must have procedures and measures in place to prevent conflicts between its own interests or those of its customers and the private interests of <ul style="list-style-type: none"> a. persons responsible for determining the financial institution's policy; b. group directors; c. members of the body responsible for supervising the institution's general course of business, or d. other staff members or individuals who permanently work for it at its request. 	Section 11(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=11&z=2016-04-01&q=2016-04-01
The institution must respond to incidents by taking measures aimed at controlling the risks that have materialised and preventing recurrence.	Section 12(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=12&z=2016-04-01&q=2016-04-01

The institution must notify DNB promptly of any incidents.	Section 12(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=12&z=2016-04-01&q=2016-04-01
The institution must make a substantiated assessment of the integrity of any individual it intends to appoint to an integrity-sensitive position.	Section 13(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=13&z=2016-04-01&q=2016-04-01
The institution must assess the integrity of any individual performing work in an integrity-sensitive position other than on the basis of an employment contract.	Section 13(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=13&z=2016-04-01&q=2016-04-01
Description of the operational management structure with respect to ethical business operations	Section 3:17 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:17&z=2016-09-03&q=2016-09-03
The operational management structure of the institution includes <ul style="list-style-type: none"> a. a clear, balanced and adequate organisational structure; b. a clear, balanced and adequate division of duties, responsibilities and powers; c. adequate documentation of rights and obligations; d. unequivocal reporting lines; and e. an adequate information supply and communication system. 	Section 17(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=17&z=2016-04-01&q=2016-04-01
The institution's operational management must be tailored to the nature, size, risks and complexity of its activities.	Section 17(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=17&z=2016-04-01&q=2016-04-01
The institution must transparently define its operational management.	Section 17(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=17&z=2016-04-01&q=2016-04-01
The effectiveness of the organisational structure and the procedures and measures in place must be audited independently at least once a year. The institution must have an organisational unit that performs this internal audit function. The institution must ensure that all shortcomings identified are resolved.	Section 17(4) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=17&z=2016-04-01&q=2016-04-01
The institution must have adequate segregation of duties in place to ensure sound operational management.	Section 18 of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=18&z=2016-04-01&q=2016-04-01
The operational management of an institution must provide for a correct, prompt and complete record of the institution's rights and obligations in an appropriate administrative system.	Section 19 of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=19&z=2016-04-01&q=2016-04-01
The institution must have an information system in place that enables effective management of operational processes and risks, and that satisfies internal and external information needs.	Section 20(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=20&z=2016-04-01&q=2016-04-01
The institution must have procedures and measures in place to ensure the integrity, continuous availability and security of electronic data processing.	Section 20(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=20&z=2016-04-01&q=2016-04-01
Segregation of duties in electronic data processing must be aligned with the organisational structure.	Section 20(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=20&z=2016-04-01&q=2016-04-01

<p>The institution must have an organisational unit that exercises a compliance function independently and effectively. The task of the organisational unit is to monitor compliance with statutory rules and with internal regulations drawn up by the payment institution itself.</p>	<p>Section 21(1) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=21&z=2016-04-01&q=2016-04-01</p>
<p>The instruction to the external auditor to audit an institution's annual accounts must include a review and general assessment of the adequacy of the organisational structure and risk management.</p>	<p>Section 22 of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.1&artikel=22&z=2016-04-01&q=2016-04-01</p>
<p>The institution must pursue a policy aimed at managing relevant risks.</p>	<p>Section 23(1) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>Relevant risks include in particular concentration risk, credit and counterparty risk, liquidity risk, market risk, operational risk, interest rate risk resulting from non-trading activities, residual risk, risks arising from excessive leverage, securitisation risk and insurance risk.</p>	<p>Section 23(2) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The policy must be embedded in procedures and measures to control relevant risks and be integrated into the operating processes. The liquidity risk management procedures and measures must focus on management of the company's current and future net financial position and requirements.</p>	<p>Section 23(3) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The procedures and measures as referred to in Section 23(3) of the <i>Bpr</i> include authorisation procedures, limits, monitoring of limits and procedures and measures for emergency situations; they must be in line with the nature, size, risk profile and complexity of the institution's operations.</p>	<p>Section 23(4) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The procedures and measures referred to in Section 23(3) of the <i>Bpr</i> must be laid down in writing and communicated to all relevant business units of the institution.</p>	<p>Section 23(5) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The institution must have an independent risk management function that ensures systematic, independent risk management aimed at identifying, measuring and evaluating the risks to which the institution is or may be exposed. Risk management includes the operations of the institution as a whole as well as those of the individual business units.</p>	<p>Section 23(6) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The risk management function must be given the required authority and access to all information necessary for the performance of its tasks.</p>	<p>Section 23(7) of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=23&z=2016-04-01&q=2016-04-01</p>
<p>The institution must systematically verify whether the procedures and measures referred to in Section 23(3) of the <i>Bpr</i> are observed and must ensure that identified shortcomings or deficiencies are remedied.</p>	<p>Section 24 of the <i>Bpr</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=4&paragraaf=4.2&artikel=24&z=2016-04-01&q=2016-04-01</p>
<p>Requirements governing the outsourcing of activities</p>	<p>Section 3:18 of the <i>Wft</i></p>	<p>http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=5&paragraaf=5.3&artikel=35&z=2016-08-11&q=2016-08-11</p>

Institutions must refrain from outsourcing activities if such outsourcing may impede adequate supervision of the institution's compliance with the provisions of or pursuant to Part 3 of the <i>Wft</i> on the prudential supervision of financial enterprises.	Section 27(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=27&z=2016-04-01&q=2016-04-01
Institutions must refrain from outsourcing the duties and activities of staff members determining the institution's day-to-day policy, including developing policies and accountability for the policies pursued.	Section 27(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=27&z=2016-04-01&q=2016-04-01
Institutions must refrain from outsourcing activities if such outsourcing erodes the quality of their independent auditing processes within the meaning of Section 17(4) of the <i>Bpr</i> .	Section 28 of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=28&z=2016-04-01&q=2016-04-01
Institutions must pursue an adequate policy and must have procedures and measures in place regarding structural outsourcing of activities.	Section 29 of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=29&z=2016-04-01&q=2016-04-01
Institutions must have satisfactory procedures and measures and sufficient expertise and information available to be able to assess the performance of structurally outsourced activities.	Section 30 of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=30&z=2016-04-01&q=2016-04-01
Institutions must enter into written agreements with third parties to which activities are structurally outsourced.	Section 31(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=31&z=2016-04-01&q=2016-04-01
The agreement must in any event provide for the following: <ul style="list-style-type: none"> ▪ the exchange of information between the institution and the third party about unlocking information required by the supervisory authorities as part of the performance of their statutory duties; ▪ the option for the institution to make changes at any time to how the third party performs the outsourced activities; ▪ the obligation incumbent on the third party to enable the institution to continuously meet the requirements ensuing from primary and secondary legislation; ▪ the possibility for supervisors to perform, directly or by proxy, examinations on the premises of the third party, and ▪ the manner in which the agreement is terminated and how after termination it is ensured that the institution can again perform the activities concerned itself, or have such activities performed by another third party. 	Section 31(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=5&artikel=31&z=2016-04-01&q=2016-04-01
Safeguarding of funds	Section 3:29a(1) and (2) of the <i>Wft</i> .	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.4&paragraaf=3.3.4.1&artikel=3:29a&z=2016-09-03&q=2016-09-03
The institution must safeguard funds received from payment service users or other payment service providers for the execution of payment transactions by either	Section 40a(1) and (5) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=6a&artikel=40a&z=2016-04-01&q=2016-04-01

- a. preventing the funds from commingling with the funds of any of the institution's other creditors, or
- b. covering the funds by an insurance policy or a comparable guarantee from an insurance company or a bank that is not part of the same group as the institution itself, against the risk that the institution is unable to fulfil its obligations with respect to these funds, to an amount that is equal to the amount that would have been split off in the absence of the insurance policy or comparable guarantee.

If the provisions of Section 40a(1), opening words and under a, of the *Bpr* are implemented and the funds have not yet been delivered to the payee or transferred to another payment service provider by the end of the business day following the day on which the funds were received, they must be deposited into a separate account at a bank or invested in secure, liquid low-risk assets in such a way that the institution's other creditors are unable to seek recovery of their claims from these funds, in particular in the event of the institution's insolvency.

Section 40a(2) and (5) of the *Bpr*

<http://wetten.overheid.nl/jci1.3:c:BWBR0020420&z=2016-04-01&q=2016-04-01>

For the purposes of Section 40a(2) of the *Bpr*, secure low-risk assets are assets included in one of the categories set out in Table 1 in Article 336(1) of the Capital Requirements Regulation (CRR) in respect of which the specific risk capital requirement does not exceed 1.6%, excluding other qualifying items as defined in Article 336(4) of the CRR.

Section 40a(3) and (5) of the *Bpr*

<http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=6a&artikel=40a&z=2016-04-01&q=2016-04-01>

For the purposes of Section 40a(2) of the *Bpr*, secure low-risk assets also include units of participation in an undertaking for the collective investment in transferable securities (UCITS) investing solely in the assets specified in the first paragraph.

If the portion of the funds earmarked for future payment transactions is variable or not known in advance, institutions are allowed to apply Section 40a(1) of the *Bpr* only on the basis of a representative portion assumed to be used for payment services, provided that this representative portion can be reasonably estimated on the basis of historical data.

Section 40a(4) and (5) of the *Bpr*

<http://wetten.overheid.nl/jci1.3:c:BWBR0020420&z=2016-04-01&q=2016-04-01>

An Electronic money institution must safeguard the funds it receives in exchange for the issue of electronic money from the moment the funds are at the institution's disposal, in any case within five business days after the issue of the electronic money.

Section 40b(1) of the *Bpr*

<http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=6a&artikel=40b&z=2016-04-01&q=2016-04-01>

The institution must safeguard the cash and non-cash funds it receives in exchange for electronic money in one of the following ways:

Section 40b(2) of the *Bpr*

<http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=6a&artikel=40b&z=2016-04-01&q=2016-04-01>

- a. by preventing the funds from commingling with the funds of any of the institution's other creditors, or
- b. by covering the funds by an insurance policy or a comparable guarantee from an insurance company or a bank that is not part of the same group as the institution itself, against the risk that the institution is unable to fulfil its obligations with respect to these

funds, to an amount that is equal to the amount that would have been split off in the absence of the insurance policy or comparable guarantee.

<p>If the provisions of Section 40b(2), opening words and under a, of the <i>Bpr</i> are implemented, the funds must be deposited into a separate account at a bank or invested in secure, liquid low-risk assets in such a way that the institution's other creditors are unable to seek recovery of their claims from these funds, in particular in the event of the institution's insolvency.</p>	Section 40b(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=6a&artikel=40b&z=2016-04-01&q=2016-04-01
Minimum own funds	Section 3:53 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.5&paragraaf=3.3.5.1&artikel=3:53&z=2016-04-01&q=2016-04-01
<p>The minimum amount of own funds required for electronic money institutions is EUR 350,000.</p>	Section 48(1), under o , of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=9&paragraaf=9.1&artikel=48&z=2016-04-01&q=2016-04-01
Solvency¹	Section 3:57 of the <i>Wft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.6&paragraaf=3.3.6.1&artikel=3:57&z=2016-09-03&q=2016-09-03
<p>For the company's activities related to the issue of electronic money and payment services related to the issue of electronic money, the minimum amount of own funds for the purposes of the solvency test is 2% of the average amount of electronic money outstanding.</p>	Section 64(1) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=10&paragraaf=10.1&artikel=64&z=2016-04-01&q=2016-04-01
<p>For the institution's payment service activities not related to the issue of electronic money, the minimum amount of own funds for the purposes of the solvency test must be calculated in accordance with Section 60a(1) of the <i>Bpr</i>.</p>	Section 64(2) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=10&paragraaf=10.1&artikel=64&z=2016-04-01&q=2016-04-01
<p>The size of an electronic money institution's own funds must be at least equal to the minimum amount for the purposes of the solvency test calculated in accordance with Section 64(1) <u>and</u> the minimum amount for the purposes of the solvency test calculated in accordance with Section 64(2).</p>	Section 64(3) of the <i>Bpr</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=10&paragraaf=10.1&artikel=64&z=2016-04-01&q=2016-04-01
Anti-Money Laundering and Anti-Terrorist Financing Act (<i>Wet ter voorkoming van witwassen en financieren van terrorisme – Wwft</i>)		http://wetten.overheid.nl/jci1.3:c:BWBR0024282&z=2016-08-11&q=2016-08-11
Customer due diligence	Section 3 of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.1&artikel=3&z=2016-08-11&q=2016-08-11
<p>With a view to preventing money laundering and terrorist financing, institutions must perform customer due diligence.</p>	Section 3(1) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.1&artikel=3&z=2016-08-11&q=2016-08-11

¹ The required solvency is expressed as actual own funds. The minimum required actual own funds are calculated based on method A, B or C. An institution's solvency must be at least equal to the minimum amount of own funds specified in Section 48(1), under o, of the *Bpr*.

The purpose of customer due diligence is to enable the institution:

Section 3(2)
of the *Wwft*

<http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2¶graaf=2.1&artikel=3&z=2016-08-11&q=2016-08-11>

- to identify its customers and verify their identity;
- if applicable, to identify the ultimate beneficial owner (UBO), to take risk-based and adequate measures to verify the UBO's identity and if the UBO is a legal entity, to take risk-based and adequate measures to acquire insight into the client's ownership and control structures;
- to establish the purpose and the intended nature of the business relationship;
- to the extent possible, continuously monitor its business relationships and the transactions conducted during their existence so as to ensure that these match the institution's knowledge of its clients and their risk profiles, where necessary carrying out further investigations into the origin of the funds used in the relevant business relationship or transaction.
- to establish whether the natural person representing the customer is authorised to do so;
- to take risk-based and adequate measures to verify whether the customer is acting on its own behalf or on behalf of a third party;
- to identify, if applicable, the natural person referred to under e, and to verify their identity.

Enhanced customer due diligence

Section 8 of the *Wwft*

<http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2¶graaf=2.3&z=2016-08-11&q=2016-08-11>

Without prejudice to the provisions of Sections 3(2), (3) and (4) of the *Wwft*, an institution must perform enhanced CDD if and to the extent that a business relationship gives rise to an increased risk of money laundering or terrorist financing due to the nature of the customer's business or in connection with the state in which it is domiciled, resides, or has its registered office.

Section 8(1) of the *Wwft*

<http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2¶graaf=2.3&artikel=8&z=2016-08-11&q=2016-08-11>

Without prejudice to Section 8(1) of the *Wwft*, if customers are not physically present for identification purposes, institutions must take measures to offset the associated higher risk. Institutions can comply with the provision of the preceding sentence by:

Section 8(2) of the *Wwft*

<http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2¶graaf=2.3&artikel=8&z=2016-08-11&q=2016-08-11>

- verifying the customer's identity on the basis of additional documents, data or information;
 - checking the submitted documents for authenticity; or
 - ensuring that the first payment related to the business relationship or transaction is made to or from the customer's account with a bank having its registered office in an EU Member State or a state designated by the Dutch Minister of Finance, which bank is authorised to pursue the
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business of a bank in that state or Member State.

Institutions must have risk-based procedures in place to determine whether a customer is a politically exposed person (PEP) who resides outside the Netherlands or does not have Dutch nationality.	Section 8(4) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&q=2016-08-11
Without prejudice to Section 8(1) of the <i>Wwft</i> , institutions that enter into business relationships with, or conduct transactions for, customers residing outside the Netherlands or not having Dutch nationality, must also: <ul style="list-style-type: none">▪ ensure that any decision to enter into such a relationship or conduct such a transaction is taken or approved by staff members authorised to do so by the institution;▪ take risk-based and adequate measures to verify the origin of the assets of the PEP and the funds used in the business relationship or transaction; and▪ monitor the business relationship on an ongoing basis.	Section 8(4) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&q=2016-08-11
Institutions that have identified their customers and business relationships and have verified their identity in conformity with this Act, must record the data listed in Section 33(1) of the <i>Wwft</i> in readily accessible form.	Section 33(1) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=5&paragraaf=5.1&artikel=33&z=2016-08-11&q=2016-08-11
Institutions must keep the data listed in Section 33(1) of the <i>Wwft</i> in readily accessible form for five years after terminating the business relationship or conducting the transaction in question.	Section 33(4) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=5&paragraaf=5.1&artikel=33&z=2016-08-11&q=2016-08-11
Reporting of unusual transactions	Section 15 of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=3&paragraaf=3.2&artikel=15&z=2016-08-11&q=2016-08-11
	Section 16 of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=3&paragraaf=3.2&artikel=16&z=2016-08-11&q=2016-08-11
By order in council, transaction category-based indicators are defined for assessing whether a transaction qualifies as unusual.	Section 15(1) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=3&paragraaf=3.2&artikel=15&z=2016-08-11&q=2016-08-11
A financial institution is under a duty to report executed or proposed unusual transactions promptly to the Financial Intelligence Unit (FIU-Netherlands) upon their unusual nature becoming known.	Section 16(1) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=3&paragraaf=3.2&artikel=16&z=2016-08-11&q=2016-08-11
This report must contain the data listed in Section 16(1) of the <i>Wwft</i> .	Section 16(2) of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=3&paragraaf=3.2&artikel=16&z=2016-08-11&q=2016-08-11
An institution must keep the data referred to in Section 16(2) of the <i>Wwft</i> and record them in readily accessible form for five years after the report was made, allowing the transaction to be reconstructed.	Section 34 of the <i>Wwft</i>	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=5&paragraaf=5.2&artikel=34&z=2016-08-11&q=2016-08-11

Institutions must ensure that their staff are familiar with the provisions of the *Wwft* to the extent relevant for the performance of their duties,

Section 35
of the *Wwft*

<http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=5¶graaf=5.3&artikel=35&z=2016-08-11&q=2016-08-11>

and that they are trained to recognise unusual transactions and perform customer due diligence fully and comprehensively.

Sanctions Act 1977

Institutions must take measures regarding their internal control structure to ensure compliance with sanctions regulations.

Section 2 of the Regulation on Supervision pursuant to the Sanctions Act 1977

<http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=2&z=2014-05-09&q=2014-05-09>

The measures referred to in Section 2(1) of the Sanctions Act 1977 must at any rate include adequate checks of the institution's administrative records as to whether the identity of a natural person or legal entity is identical to that of a natural person or legal entity referred to in the sanctions regulations, with an eye to freezing that customer's financial resources or to preventing the provision of financial resources or services to that customer.

If an institution finds that a customer's identity matches that of a natural person or legal entity referred to in the sanctions regulations, it must notify the supervisory authority without delay. The notification to the supervisory authorities must include data on the customer's identity.

Section 3 of the Regulation on Supervision pursuant to the Sanctions Act 1977

<http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=3&z=2014-05-09&q=2014-05-09>

Institutions must keep the notifications referred to in Section 3 of the Sanctions Act 1977 and the data on accounts held by and transactions conducted with the customers involved in the notifications for up to five years after the expiry or abrogation of the sanctions regulations that referred to the natural person or legal entity in question.

Section 4 of the Regulation on Supervision pursuant to the Sanctions Act 1977

<http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=4&z=2014-05-09&q=2014-05-09>
