

identity card. For other transactions or services, you might be required to provide more information.

Identification documents that you could be asked to provide include:

- CID /Company Registration Certificate
- Passport
- driver's license
- Employee Card/ Student Card
- utilities statement, or
- a statement from other financial institution.

WHEN COULD YOU BE AFFECTED?

As a customer you could be affected in a range of circumstances, including:

- opening an account with a bank or other financial institution
- obtaining a loan
- dealing with foreign exchange
- sending, receiving, transferring of funds electronically
- buying or selling securities
- Buying or claiming Insurance
- buying, selling of precious metal and stone, and
- Buying and selling of real estate

HOW WILL YOUR PRIVACY BE PROTECTED?

The provision under the Financial Services Act 2011 states that the customer's confidentiality will be maintained and no disclosure will be made unless required by law of Bhutan or by order of a court.

Further, the provision under AML/CFT Act 2018 states that disclosure will be made only for implantation of the Act or unless the court is satisfied that the disclosure of the information is necessary in the interest of justice.

Community Support!

- Bhutan wants to have a good financial reputation as a safe place to invest and that is why this law has been enacted.
- You can help by providing details requested by banks and other financial service providers in accordance with the law.

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ROYAL
MONETARY
AUTHORITY



Anti-Money Laundering and Countering of Financing of Terrorism (AML/CFT) Act 2018

“Anti-Money laundering and Countering of Financing of Terrorism Act has been passed to help control crime in Bhutan by looking for Money from crimes like Drug Trafficking, Fraud and Corruption.”





WHAT IS MONEY LAUNDERING?

The goal of most criminal acts is to generate a profit. Criminals undertake money laundering to disguise the 'dirty' nature of money originating from serious crime such as drug trafficking and corruption and make it appear to be legitimate income or 'clean'.

WHAT IS TERRORISM FINANCING?

Terrorism financing includes the financing of terrorist acts, terrorists and terrorist organizations. Money laundering and terrorism financing are serious crimes.

WHAT ARE THE LAWS?

The Anti-Money Laundering and Countering of Financing of Terrorism Act 2018 (AML/CFT) requires banks and other financial service providers to:

- Identify their customers before providing those services.

- Monitor customer transactions on an ongoing basis when they provide those services.
- Clarify or update customer information including the nature of the customer's business.
- Keep records in relation to those services.
- Report certain transactions and suspicious matters.

The AML/CFT law requires every bank and financial services provider to:

- Obtain proof of identity and other personal information from you
- Report all unusual and very large cash transactions to the FIU

This information must be provided under the AML/CFT Act 2018 and the AML/CFT Regulations

AML/CFT REGIME AT A GLANCE

Bhutan has implemented the AML/CTF laws to meet international standards in the interest of national security, economic prosperity and to help protect financial system from being misused for money laundering and terrorism financing. As a customer seeking certain services you may be asked to verify your identity.

By verifying your identity, you are helping to protect Bhutanese financial system from

being misused for the purposes of criminal activity

WHAT IS FINANCIAL INTELLIGENCE DEPARTMENT?

The Financial Intelligence Department (FID) has been established to receive reports from reporting entities and other financial transactions to detect money laundering and to provide a center of excellence to promote Bhutan's efforts to control money laundering and terrorism financing.

HOW COULD YOU AS AN ORDINARY CITIZEN BE AFFECTED?

As a customer, the banks and other financial service providers you're dealing with may need to verify your identity. The types of documents you could be asked to provide to verify your identity may vary for different transactions or services. They may also vary across different service providers.

For example, where a reporting entity determines that the service or transaction represents a low risk of money laundering or terrorism financing, customers might only be required to produce a citizen

