



HELLENIC REPUBLIC
CAPITAL MARKET COMMISSION

SPECIAL UNIT
FOR THE PREVENTION OF MONEY LAUNDERING

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**Application of customer due diligence (CDD) measures by obliged persons
during the coronavirus pandemic (COVID-19)**

Dealing with the coronavirus pandemic through social distancing and self-isolation of citizens creates difficulties for obliged persons regarding the implementation of customer due diligence measures (CDD), both when establishing a business relationship with a client or when carrying out an occasional transaction, as well as when conducting ongoing monitoring of the business relationship. It should also be noted that during the coronavirus pandemic, criminals may find opportunities to launder their money, but also to carry out new criminal activities.

Despite the difficulties arising from the pandemic, the Hellenic Capital Market Commission expects its supervised entities to continue to comply with their obligations to deal with money laundering and terrorist financing (ML/TF). In this context, obliged persons are required to consider the following indicative alternative methods of implementing CDD measures in order to be able to overcome these difficulties.

Under the present circumstances, the Hellenic Capital Market Commission considers that, in the case of the application of alternative methods of verifying the identity of customers, instead of officially modifying the policies and procedures of obliged persons, it is sufficient to keep a track record of changes in policies and procedures implemented throughout the duration of the coronavirus crisis.

Alternative methods for verifying the identity of customers (without their physical presence)

Obliged persons may receive by mail the identities of their customers, without the need for the physical presence of the customer in the offices of the obliged person, as "scanned" copies, photocopies or photographs of them.

After receiving the above mentioned information (electronically or by post), the verification of the customer's identity may be carried out with the following alternative methods:

- via video call, using applications such as Skype, WebEx or Zoom, in order to verify the "physical presence" of the customer with the one shown in the received documents,
- by taking and sending a "selfie" photo of his/her face, in order to compare it with the photo shown in the received documents,

- by telephone contact with the customer, in order to ask questions about his/her identity, about the purpose of the business relationship or transaction, as well as to submit more general questions which will help verify the identity of the customer,
- by obtaining additional information, such as geolocation, IP address of the customer's computer, and verifiable telephone numbers, in order to verify the information provided by the customer,
- by sending code numbers to the phone, e-mail address and/or the customer's mailing address, in order to verify the information that the customer invokes as an indication that he is himself, and
- through the use of data provided by third parties (eg. <https://www.amka.gr/AMKAGR/>)

It is recommended that obliged persons inform their prospective customers in advance of the above mentioned alternative methods of verifying their identity that they may use, in order to prevent attempts to use false or counterfeit information.

Obliged persons are also invited to consult the relevant FATF Directives on Digital Identity posted at the Hellenic Capital Market Commission's website. It is noted that according to these Guidelines, establishing a business relationship or conducting an occasional transaction without the physical presence of the customer, through the use of a trustworthy digital identification system (digital ID), is not automatically categorized as high risk and may even be a standard or lower ML/TF risk.

Also, the application of alternative methods of verifying the identity of the customer is a factor that obliged persons take into account when preparing their Risk Assessment Report.

Conduct of ongoing monitoring of business relationships (article 13 par. 1 case d of law 4557/2018)

Obliged persons thoroughly examine the transactions made during the business relationships with their customers and pay special attention to any unusual or suspicious change in the behavior of their customers and their cash flows. Obliged persons also take risk-sensitive measures to verify the legal source of unexpected cash flows, especially when they come from customers who have been financially hit by the coronavirus pandemic.