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The Central Bank will change the grounds for blocking accounts for the first time in eight years

The Central Bank has published amendments to regulation 375-P, which relate to signs of suspicious transactions. The list of such signs now contains more than 100 items: if the client's actions fall under certain items, the Bank has grounds to suspend or refuse to conduct transactions, and in the extreme case to terminate the contract with such a client.

The list of criteria for unusual transactions has not been updated over the past eight years, i.e. since the provision was introduced in 2012. The relevant indicators were developed over the course of the year in order to eliminate outdated and add new schemes for performing unusual operations, taking into account the current development of the financial market and the General digitalization of banking services technologies.

The document is currently undergoing a regulatory impact assessment procedure. The head of the Central Bank, Elvira Nabiullina, said a year ago that some signs of questionable transactions that banks have to pay attention to are already outdated. She noted that under the new approach, the number of grounds for refusing to conduct operations should be significantly reduced.

WHAT THE CENTRAL BANK WANTS TO CHANGE:

- ▶ The Central Bank offers not to consider suspicious situations when the client conducts operation, despite high commissions or prohibitive tariffs (sign 1108).
- ▶ If the client refuses a one-time transaction or asks to close the account and issue money after questions from the Bank, this should be considered as signs of doubt.
- ▶ The Bank of Russia has included in separate item cases where the client requires the Bank to perform operations on the Executive document. It intends to give credit institutions the right to refuse if there are suspicions that the transaction is aimed at money laundering or cashing in.
- ▶ The Central Bank offers to add regular cash withdrawals by individuals to the list of doubtful transactions if the money is received from a legal entity or an individual entrepreneur. Exceptions are economically justified transactions such as transfers of salaries, dividends, alimony, pensions, and insurance indemnities.
- ▶ Remote transactions that are made from the same device (phone, laptop, etc.) or from the same group of IP addresses on the accounts of different companies registered in different countries or belonging to different owners are considered questionable.
- ▶ For the first time, the list of signs of questionable transactions includes transactions related to the acquisition or sale of virtual assets, which in the latest version of the project are understood as digital analogs of debt receipts, bonds and equity rights.

The new list is not exhaustive, told RBC representative of the Central Bank: "Credit institutions may add its own criteria that are specific to them, given the scale, the specificity and nature of the activities of the credit institution, the nature made by the clients operations and associated level of risk of legalization (laundering) of criminal incomes".

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