

**Requirements for the Rules of Procedure established by credit and financial institutions and for their
implementation and verification of compliance**
Minister of Finance Regulation No 10 of 3 April 2008

The Regulation is established on the basis of Article 30 (6) of the Money Laundering and Terrorist Financing Prevention Act.

Chapter 1
GENERAL PROVISIONS

§ 1. Scope of application

This Regulation shall be applied to all credit and financial institutions within the meaning of the Money Laundering and Terrorist Financing Prevention Act.

§ 2. General requirements for the Rules of Procedure

(1) Credit and financial institutions must establish in writing the Rules of Procedure for the prevention of money laundering and terrorist financing (hereinafter: Rules of Procedure) which must contain at least the following documents:

- 1) a Code of Conduct for the application of customer due diligence measures, including for the assessment and management of risks related to money laundering and terrorist financing, subject to the provisions of Article 14 (3) of the Money Laundering and Terrorist Financing Prevention Act;
- 2) a Code of Conduct for the collection and preservation of data;
- 3) a Code of Conduct for the performance of the notification obligation and for informing the management;
- 4) procedures for monitoring the adherence to codes of conduct referred to in subparagraphs 1-3 (hereinafter: Internal Control Rules).

(2) Rules of Procedure may be included in one or several documents established by the head of a credit or financial institution.

(3) Rules of Procedure must conform to the nature, scope and complexity of economic activities of a credit or financial institution and be applied to all business relationships of a credit or financial institution and to transactions concluded with customers, including transactions mediated by agents and to the outsourcing of economic activities to third persons in accordance with the procedure laid down in Article 28 of the Money Laundering and Terrorist Financing Prevention Act.

(4) Rules of Procedure must ensure the proper identification and verification of customers or persons participating in transactions, as well as ongoing monitoring of business relationships, including transactions carried out during business relationships, regular verification of data used for identification, update of relevant documents, data or information and, if necessary, identification of the source and origin of funds used in transactions.

(5) In case of inquiries made in respect of documents referred to in paragraph 1, the Rules of Procedure must allow credit or financial institutions to respond exhaustively and immediately to all persons and institutions who are entitled to make such inquiries pursuant to the Money Laundering and Terrorist Financing Prevention Act.

Chapter 2
REQUIREMENTS FOR RULES OF PROCEDURE

Title 1
Code of Conduct for the application of customer due diligence measures

§ 3. Code of Conduct for the application of customer due diligence measures

Code of Conduct for the application of customer due diligence measures must include at least the following:

- 1) requirements for the identification and verification as well as methods for the collection of relevant data, including requirements for the data and documents on which the identification is based;
- 2) procedures for the identification of the purpose and intended nature of business relationships and transactions prior to the conclusion of such transactions or long-term contracts, and procedures for ongoing monitoring of business relationships;
- 3) a description of low risk transactions and requirements for and procedures of the conclusion of such transactions according to the Minister of Finance Regulation enacted on the bases of Article 18 (5) of the Money Laundering and Terrorist Financing Prevention Act;
- 4) a description of high risk transactions, including transactions concluded in private banking, as well as requirements for and procedures of the conclusion and ongoing monitoring of such transactions;
- 5) procedures for updating the data and documents used for identification and verification.

§ 4. General requirements for identification

(1) Code of Conduct for the application of customer due diligence measures must provide requirements for the identification and verification in case of:

- 1) establishing business relationships with persons with whom the credit or financial institution has no previous business relationships;
- 2) conducting transactions with persons with whom the relationship between the person and the credit or financial institution will not constitute a business relationship, including where the transaction involves a payment made in cash or precious metals;
- 3) establishing business relationships with persons in respect of whom simplified due diligence measures are applied;
- 4) establishing business relationships with politically exposed persons;
- 5) conducting transactions through means of communication with persons with whom the credit or financial institution has a business relationship;
- 6) establishing business relationships with persons whose place of residence or registered office is in a country where the application of measures for the prevention of money laundering and terrorist financing is insufficient.

(2) Code of Conduct for the application of customer due diligence measures shall provide the procedures and specify the cases where it is allowed to establish a business relationship, including opening an account or carrying out a transaction, at the request of the person participating in the transaction prior to the full application of customer due diligence measures.

§ 5. Verification of documents and data used for identification

(1) Code of Conduct for the application of customer due diligence measures must provide special requirements for the verification of data and documents, including the methods of and procedure for such verification as well as conditions which must be complied with in order to cross-check these data and documents with public databases.

(2) Requirements for the verification of data and documents must specify the documents to be cross-checked with public databases or based on information disclosed by public or supervisory authorities, and documents and data accepted for the identification and verification. They shall also provide systems for the verification of correctness of documents and data submitted by customers.

(3) Requirements for the verification of data and documents must provide a specific reference to the third party database which may be used for the verification of data, and directions in case the data is received from a credit institution registered in Estonia or from a branch of a foreign credit institution or from a credit institution whose registered office or place of business is in an EEA State or in a third country which applies the requirements equal to those provided by the Money Laundering and Terrorist Financing Prevention Act.

§ 6. Identification and verification of natural persons

(1) Code of Conduct for the application of customer due diligence measures must provide special requirements for establishing a business relationship with a natural person where the customer is:

- 1) a natural person whose permanent residence is in Estonia or in an EEA State;
- 2) a natural person whose permanent residence is in a third country;
- 3) a politically exposed person of another EEA State or a third country, his/her family member or a close associate of such person;
- 4) a minor or another person with restricted active legal capacity;
- 5) a natural person who is suspected of being engaged in money laundering or terrorist financing.

(2) In order to identify and verify a representative of a natural person, the following requirements must be established:

- 1) the identification and verification of a contractual or a legal representative, including a guardian, of a natural person who is the customer;
- 2) the identification and verification of a representative of a legal person registered in Estonia;
- 3) the identification and verification of a representative of a non-resident legal person.

§ 7. Documents and data for the identification and verification of natural persons

(1) Code of Conduct for the application of customer due diligence measures must provide requirements for documents used for the identification and verification of a natural person, whereas these documents must reveal at least the following:

- 1) given names and surnames of a natural person;
- 2) personal identification code, if any, or date and place of birth;
- 3) name and number of the document used for the identification and verification, its date of issue and the name of issuing authority.

(2) Code of Conduct for the application of customer due diligence measures must provide requirements for documents used for the identification and verification of the right of representation.

(3) Code of Conduct for the application of customer due diligence measures must provide an obligation to assess the appropriateness of the document submitted upon identification on the basis of the following circumstances, among others:

- 1) validity of the document and compliance thereof with requirements provided by the Identity Documents Act;
- 2) similarity of the appearance and compatibility of the age of the person with the appearance of the person in the document and with the data contained in the document.

(4) Code of Conduct for the application of customer due diligence measures must provide methods for receiving information from a natural person regarding his/her address and profession or area of activity, procedures for the confirmation under the hand or by the signature of the correctness of data, and registering requirements of received data.

§ 8. Identification and verification of legal persons

Code of Conduct for the application of customer due diligence measures must provide requirements for establishing a business relationship with a customer where the customer is:

- 1) a legal person whose beneficial owner is a politically exposed person of another EEA State or a third country;
- 2) a legal person whose registered office is in a third country that has not implemented sufficient measures for the prevention of money laundering and terrorist financing or where this country has not engaged in international cooperation related to the prevention of money laundering and terrorist financing;
- 3) a legal person where there is a prior suspicion of money laundering or terrorist financing in relation to its activities, persons with power of representation or beneficial owners.

§ 9. Documents and data for the identification of legal persons

(1) Code of Conduct for the application of customer due diligence measures must provide requirements for the identification and verification of a legal person where the customer is a legal person whose registered office is:

- 1) in Estonia or another EEA State;
- 2) in a third country that applies requirements equal to those provided by this Regulation;
- 3) in a third country that has not implemented sufficient measures for the prevention of money laundering and terrorist financing or where this country is not engaged in international cooperation related to the prevention of money laundering and terrorist financing or is a low-tax territory.

(2) Code of Conduct for the application of customer due diligence measures must provide requirements for documents used for the identification and verification of a legal person, whereas these documents must reveal at least the following:

- 1) existence of passive legal capacity;
- 2) business name (name), registered office and address;
- 3) registry code or registration number;
- 4) date of issue and the name of issuing authority.

(3) Code of Conduct for the application of customer due diligence measures must provide requirements for the identification of a beneficial owner, including for gathering information on a person having controlling interests in the ownership and control structure of a legal person, trust fund, civil law partnership or another similar contractual legal entity. Requirements for recording the information provided during contract negotiations and directions for collecting other information from a reliable and independent source shall be separately established.

§ 10. Area and profile of activities of customers who are legal persons

(1) Code of Conduct for the application of customer due diligence measures must provide procedures for ascertaining the area and profile of activities of customers who are legal persons upon entering into business relationships with such customers, with a view to distinguish the circumstances which indicate money laundering or terrorist financing in the conduct of the customer. Procedures for ascertaining the profile of activities must contain an obligation to ascertain, where possible, its permanent business establishments in third countries, its essential business partners and payment practices of the customer in case of a customer who is a legal person.

(2) Code of Conduct for the application of customer due diligence measures must provide procedures for ascertaining the area and profile of legal persons as well as persons specified in Article 9 (2) of this Regulation in case it is not possible to acquire adequate and sufficient information from customers or their representatives.

§ 11. Identification in case of civil law partnerships

(1) Code of Conduct for the application of customer due diligence measures must provide requirements for opening an account for a civil law partnership and for distinguishing an account of a civil law partnership opened in the name of a natural or legal person who is a member of a civil law partnership from a personal account of a member of a civil law partnership.

(2) The requirements for identification of natural persons apply for identification of members of a civil law partnership or representatives thereof.

§ 12. Identification in case of outsourced activities of credit and financial institutions

(1) Code of Conduct for the application of customer due diligence measures must provide requirements for the identification and verification in case a credit or financial institution has outsourced its economic or professional activities to a third person or provides services through an agent.

(2) Code of Conduct for the application of customer due diligence measures must provide requirements for and methods of preserving documents and data gathered during the identification and verification in cases provided in paragraph 1 of this Article.

§ 13. Bases for monitoring business relationships

(1) Code of Conduct for the application of customer due diligence measures must provide:

- 1) methods for ascertaining the area and profile of the activities of a customer;
- 2) procedures for monitoring and analyzing transactions concluded by a customer with the credit or financial institution and with a credit or financial institution belonging to the same consolidation group as the credit or financial institution, based on which there shall be a distinction made between low risk transactions and high risk transactions, including transactions belonging to the area of private banking;
- 3) directions for the case where there is a suspicion of money laundering or terrorist financing in relation to low risk transactions;
- 4) other measures necessary for implementing the principle 'know your client'.

(2) Measures specified in paragraph 1 must distinguish between:

- 1) directions for monitoring business relationships where the customer is subjected to the provisions of Articles 17 and 18 of the Money Laundering and Terrorist Financing Prevention Act;
- 2) directions for monitoring business relationships where the customer is subjected to the provisions of Article 19 of the Money Laundering and Terrorist Financing Prevention Act.

(3) Code of Conduct for the application of customer due diligence measures shall specify limits, classes or other criteria for:

- 1) transactions carried out through electronic payment instruments or other similar instruments;
- 2) unusual or suspicious transactions.

§ 14. Risk profile of customers who are legal persons

(1) In the case of legal persons, the Code of Conduct for the application of customer due diligence measures shall define the objective for the verification of data in such a way that it is possible in respect of each customer to ensure determination of the level of money laundering and terrorist financing related to this customer (hereinafter: "risk profile").

(2) The following circumstances are taken into account upon determining a risk profile:

- 1) the country where the legal person has its place of business or is registered;
- 2) the type and passive legal capacity of the legal person;
- 3) territory of activities and area of activities;
- 4) management and control structures in case of management bodies and companies which are legal persons, including beneficial owners and the use of agents or other contractual representatives upon the establishment of business relationships and during their course;
- 5) type of services provided by the credit or financial institution to legal persons, and their turnover;
- 6) other information, including sources for financing the activities of legal persons and areas of activities or risk profiles of essential business partners.

(3) Depending on the risk profile of the customer, a Code of Conduct may prescribe implementation of simplified or enhanced due diligence measures.

§ 15. Correspondent relationships of credit and financial institutions

Code of Conduct must provide procedures for regular assessment of financial soundness, reputation and the efficiency of supervision to be applied upon opening correspondent accounts of a third country credit institution provided in Article 22 of the Money Laundering and Terrorist Financing Prevention Act and throughout the validity of such contracts, as well as requirements for documentation, preservation and updating of the assessment results.

§ 16. Updating data and documents used for identification

(1) Code of Conduct shall establish procedures for updating data received during identification and verification. Procedures for updating data must provide for methods of updating and the period for updating data used for identification.

(2) Procedures for updating data must establish directions for the case where a credit or financial institution has a reason to believe that documents or data gathered during identification and verification are insufficient, changed or inaccurate. In addition, these procedures must provide for the possibility to update data according to the risk profile of customers or material changes in the area or volume of business which is revealed by the data on customer transactions, including the update possibility when being in the same location as the customer or its representative.

(3) Procedures for updating data must establish directions for the case where a credit or financial institution has not been able to ensure sufficient verification of data used for identification within a reasonable period of time or where there is a reason to believe that the activities of the person are terminated.

(4) Procedures for updating data must regulate *inter alia* the possibility to use data received from public databases or credit institutions registered in Estonia or branches of foreign credit institutions or credit institutions whose registered office or place of business is in an EEA State or a third country that applies requirements equal to those provided by the Money Laundering and Terrorist Financing Prevention Act.

(5) Procedures for updating data shall provide for the period of time within which the updated data must be made available to all structural units belonging to the credit or financial institution that provides services to customers.

Title 2

Code of Conduct for collection and preservation of data

§ 17. Preservation of data used for identification

Code of Conduct for collection and preservation of data must provide requirements for the preservation of data and documents used for identification in cases specified in Article 13 (1) – (4) of the Money Laundering and Terrorist Financing Prevention Act and other relevant data which shall allow for identification of at least the following information upon a later reproduction of the data in writing:

- 1) data specified in Article 23 (2) and Article 24 (2) of the Money Laundering and Terrorist Financing Prevention Act;
- 2) a copy of the document used for identification;
- 3) methods for and time and place of submission or update of the data and documents;
- 4) other data gathered during identification and a reference of whether the data was gathered for establishing a business relationship or for using another service that does not require the opening of an account;
- 5) the name and official title of the employee who conducted the identification or verified or updated the data.

§ 18. Special requirements for preservation of data on transactions

Code of Conduct for collection and preservation of data must provide requirements for registration and preservation of data on transactions pursuant to the Money Laundering and Terrorist Financing Prevention Act, which must allow for a written reproduction of at least the following information:

- 1) data on transaction and in case of payment order an explanation provided by the originator or the customer;
- 2) data on funds which are the object of the transaction, including a reference of whether these funds were received from an account or whether cash, cheques or other instruments were used.

§ 19. Special requirements for preservation of data on investment services

Code of Conduct for collection and preservation of data must provide requirements for registration and preservation of data on investment services pursuant to the Money Laundering and Terrorist Financing Prevention Act and the Securities Market Act, which must allow for a written reproduction of at least the following information:

- 1) orders of purchase, sell orders and other transactions made from the securities account of a customer, including transfer orders and payment authorizations of transactions;
- 2) the documents and data submitted by the customer upon provision of investment services;
- 3) data concerning the contract for provision of investment services, if available;
- 4) data on funds used for investments, including a reference of whether these funds were received from an account or whether cash, cheques or other instruments were used;
- 5) data on the investment registered upon carrying out the transaction.

§ 20. Special requirements for preservation of data on insurance services

Code of Conduct for collection and preservation of data must provide requirements for registration and preservation of data in case of insurance services providers specified in the Money Laundering and Terrorist Financing Prevention Act, which must allow for a written reproduction of at least the following information:

- 1) the contracts entered into with the customer, including the insurance policy and data on the beneficiary;
- 2) data on the policyholder, the method of making insurance premium payments and indemnities paid by the insurer;
- 3) circumstances relating to the termination of the contract, including data on satisfied claims.

Title 3

Code of Conduct for the performance of the notification obligation and for informing the management

§ 21. Notification of transactions in case of suspicion of money laundering or terrorist financing

(1) Rules of Procedure establish a Code of Conduct for the performance of the notification obligation and for informing the management, which must include at least the following:

- 1) a reference to the advisory guidelines regarding the characteristics of suspicious transactions pursuant to Article 39 (2) of the Money Laundering and Terrorist Financing Prevention Act;
- 2) procedures for refusing to establish business relationships and conclude transactions and for extraordinary cancellation of contracts entered into for an indefinite period;
- 3) procedures for the notification of contact persons specified by Article 31 of the Money Laundering and Terrorist Financing Prevention Act of suspicious and unusual transactions;
- 4) procedures for the notification of the Financial Intelligence Unit of suspicious and unusual transactions, including transactions where the financial obligation of over 500.000 EEK or of an equivalent amount in another currency is performed in cash, regardless of whether the transaction is carried out as a single payment or several related payments, and in case of credit institutions of currency exchange transactions where the cash amounts to over 500.000 EEK, if the credit institution has no business relationships with the person participating in the transaction;
- 5) the bases for the activities of the contact person, including his/her competence, obligations and responsibility on the processing of notices and information of transactions suspected in money laundering or terrorist financing;
- 6) procedures for storing and using data and documents relating to suspicious and unusual transactions and operations with characteristics indicating money laundering or terrorist financing;
- 7) requirements for activities upon implementation of a precept of the Financial Intelligence Unit issued pursuant to Articles 40 and 41 of the Money Laundering and Terrorist Financing Prevention Act;
- 8) the bases and procedures for obtaining information from international organizations concerning persons, groupings and units which participate in terrorist acts or concerning other subjects of international sanctions.

(2) Code of Conduct for the performance of the notification obligation and for informing the management must also provide directions for:

- 1) communication with persons where it is known or there is a suspicion that the person may be involved in money laundering or terrorist financing;
- 2) communication with persons who are subjects of international sanctions;
- 3) informing the management by the contact person of transactions and operations suspected to be money laundering or terrorist financing and of other circumstances indicating operational risks of a credit or financial institution;
- 4) procedures for the implementation of measures adopted by international organizations in respect of persons, groupings and units who participate in terrorist acts or other subjects of international sanctions, including for freezing and releasing of funds.

§ 22. Ascertaining unusual or suspicious transactions, operations or circumstances

(1) Rules of Procedure establish procedures for the case when a circumstance which is different, bearing in mind the current conduct of the customer, and is not reasonably grounded or is related to the suspicion of money laundering or terrorist financing becomes evident upon verification of customer details or in relationships with the customer. On the basis of the criteria provided in the Rules of Procedure, it is ascertained if the case involves a different but explicable circumstance, bearing in mind the current conduct of the customer, or a transaction with the suspicion of money laundering or terrorist financing.

(2) Rules of Procedure must provide at least the following procedures for ascertaining unusual operations or circumstances or transactions with the suspicion of money laundering or terrorist financing:

- 1) the obligation of an employee to analyze the circumstances which have become evident concerning transactions suspected to be money laundering or terrorist financing;
- 2) the obligation of an employee to verify the origin of the property before the transaction is carried out at least in the case when the transaction is unusual and unexplainable, bearing in mind the existing business relationship, or indicating money laundering or terrorist financing;
- 3) the obligation of the contact person to analyze, before notifying the Financial Intelligence Unit of transactions suspected to be money laundering or terrorist financing, the content of the received information in connection with the current area of activities and payment practices of the customer and other known information.

§ 23. Procedures for notifying the Financial Intelligence Unit of suspicious and unusual transactions

(1) Code of Conduct for the performance of the notification obligation and for informing the management must provide directions for employees in the case where an unusual transaction, operation or another circumstance of a client indicating money laundering or terrorist financing is ascertained.

(2) Code of Conduct for the performance of the notification obligation and for informing the management must contain an obligation of employees to inform the contact person of all cases of refusal to establish a business relationship pursuant to Article 27 (1) of the Money Laundering and Terrorist Financing Prevention Act, suspicious or unusual transactions, extraordinary cancellations of contracts entered into for an indefinite period, and the list of persons who may receive this information.

(3) In relation with suspicious or unusual transactions the following shall be established:

- 1) the list of preserved data, which must include at least the requirement to preserve a description of details of suspicious or unusual transactions, related persons, date and place of transactions;
- 2) procedures for the preservation of notifications which enables the corresponding notices to be reproduced in writing.

Chapter 3 INTERNAL CONTROL RULES

§ 24. General requirements of Internal Control Rules

(1) Credit and financial institutions shall prepare Internal Control Rules for monitoring the compliance with the Rules of Procedure by employees of the credit or financial institution, including for the case where the credit or financial institution has transferred its activities pursuant to Article 28 of the Money Laundering and Terrorist Financing Prevention Act.

(2) The Internal Control Rules may consist of one or several documents established by the head of a credit or financial institution.

(3) The Internal Control Rules must provide at least the following:

- 1) the structural unit or person responsible for monitoring the compliance with the Rules of Procedure;
- 2) the rights and obligations of the structural unit or person specified in subparagraph 1 of this paragraph;
- 3) the structural unit or person responsible for maintenance of the technical equipment necessary for the implementation of the code;
- 4) instructions for structural units or persons performing the monitoring specified in subparagraph 1 of this paragraph in a situation where the Rules of Procedure or compliance with the Rules of Procedure are insufficient for the prevention of money laundering and terrorist financing or for imposing international sanctions;
- 5) the requirements for conduct of internal control, including for the preparation of the inspection report.

(4) The Internal Control Rules shall provide the rights and obligations for the performance of at least the following duties for a structural unit or person specified in subparagraph 3 (1) of this paragraph:

- 1) monitoring the work of employees, the technical equipment permitted to be used therefore and the use thereof;
- 2) performance of an inspection of compliance with the requirements concerning prevention of money laundering and terrorist financing with regard to employees and requiring an immediate termination of noncompliance;
- 3) analyzing the results of monitoring the work and inspecting compliance;
- 4) assessment of training needs of employees;
- 5) making proposals to the management for the elimination of deficiencies which become evident during an inspection, including for the amendment of the Rules of Procedure.

§ 25. Requirements for the preparation of inspection reports

(1) The requirements specified in Article 24 (3) 5) of this Regulation must establish that the inspection report contains at least the following information:

- 1) the objective of the inspection;
- 2) the time of performing the inspection;
- 3) the name and official title of the person who performed the inspection;
- 4) a description of the inspection performed;
- 5) an analysis of the inspection results or general conclusions made on the basis of the inspection.

(2) If, upon inspection, deficiencies become evident in the Code of Conduct or practical implementation thereof, descriptions of the deficiencies together with an analysis of related probable risks shall be added to the inspection report. A schedule for the elimination of deficiencies, desirable methods to be used for the elimination of deficiencies and the time of performing the follow-up inspection shall be also determined.

(3) The analysis of results of the follow-up inspection and the list of methods used for the elimination of deficiencies together with the time actually spent for the elimination of deficiencies shall be added to the inspection report upon performing the follow-up inspection.

Chapter 4 IMPLEMENTATION OF REGULATION

§ 26. Implementation of Rules of Procedure and Internal Control Rules

(1) Credit and financial institutions must have employees, structural units and systems for timely provision of information, which allow the credit or financial institution to meet the requirements of the Rules of Procedure and the Internal Control Rules.

(2) Credit and financial institutions shall inform the companies belonging to their consolidation group, including agencies, branches and subsidiary undertakings in which they have a majority holding, of the implementation of the Rules of Procedure and the Internal Control Rules.

(3) Credit and financial institutions shall implement the provisions of the Rules of Procedure and the Internal Control Rules also in companies belonging to their consolidation group, unless these companies have adopted different Rules of Procedure and Internal Control Rules.

(4) Credit and financial institutions shall appoint persons or structural units responsible for compliance with the Rules of Procedure, as well as persons or structural units responsible for informing the Financial Intelligence Unit and for compliance with precepts issued by the Financial Intelligence Unit.

§ 27. Rights of employees

At least the following rights must be ensured for employees for implementing the Rules of Procedure and the Internal Control Rules:

- 1) forwarding information to the contact person;
- 2) notification of the structural unit or person specified in Article 24 (3) 1) of this Regulations of a failure to comply with the requirements concerning prevention of money laundering and terrorist financing;
- 3) receive the necessary training for the performance of the duties related to prevention of money laundering and terrorist financing.

§ 28. Informing employees

(1) Employees whose duty is to establish business relationships or carry out transactions are notified of the current Rules of Procedure and Internal Control Rules on commencement of the employment and thereafter as necessary but at least once a year on the basis of the following circumstances:

- 1) the potential of encountering suspicious or unusual transactions which may be related to money laundering or terrorist financing, related to the position of the employee;
- 2) imposition of sanctions with regard to employees who fail to comply with the requirements or Rules of Procedure provided by the Money Laundering and Terrorist Financing Prevention Act or other legislation enacted on the basis of this Act;
- 3) typical cases of suspicious or unusual transactions which are likely to occur in the area of activities of the employee and the preventive mechanisms to be implemented.

§ 29. Obligation of amendment of the Code of Conduct and the Internal Control Rules

(1) The timeliness of the Rules of Procedure and the Internal Control Rules for the prevention of money laundering and terrorist financing established on the basis of this Regulation shall be verified on a regular basis and they shall be supplemented and updated as necessary, but at least once a year. The necessity is assessed on the basis of the objective to ensure the implementation of sufficient measures for the prevention of money laundering and terrorist financing in credit and financial institutions.

(2) Credit and financial institutions must appoint a structural unit or person responsible for the preparation and amendment of the Rules of Procedure and the Internal Control Rules.

§ 30. Implementation of Regulation

Credit and financial institutions must bring their activities and documents into compliance with the provisions of this Regulation by no later than 1 November 2008.

Minister Ivairi Padar

Secretary General Tea Varrak