



**BANK OF GREECE**  
**EUROSYSTEM**

**Governor's Act No. 2652/29.2.2012.**

**Subject: Amendment to Banking and Credit Matters Committee Decision 281/5/17.3.2009 "Prevention of the use of credit and financial institutions supervised by the Bank of Greece for money laundering and terrorist financing" and of Banking and Credit Matters Committee Decision 285/6/9.7.2009 "Indicative typology of unusual or suspicious transactions within the meaning of Article 4 (paragraphs 13 and 14) of Law 3691/2008"**

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THE GOVERNOR OF THE BANK OF GREECE, having regard to:

- a) Article 55A of the Statute of the Bank of Greece;
- b) the provisions of Law 3691/2008 "Prevention and suppression of money laundering and terrorist financing, and other provisions" (Government Gazette A'166), as currently in force, in particular para. 2, taken together with paras. 3 to 5 of Article 6 thereof, specifying the powers and responsibilities of the Bank of Greece as competent authority for the purposes of that law;
- d) the provisions of Article 77 para. 1 of Law 3842/2010 (Government Gazette A'58), whereby an indent (r) was inserted to Article 3 of Law 3691/2008, taken together with Article 29 of Law 3691/2008, requiring submission of suspicious transaction reports in connection with violations of the tax or customs legislation;
- e) Banking and Credit Matters Committee Decision 281/5/17.3.2009 "Prevention of the use of credit and financial institutions supervised by the Bank of Greece for money laundering and terrorist financing" (Government Gazette 650 B');
- f) Banking and Credit Matters Committee Decision 285/6/9.7.2009 "Indicative typology of unusual or suspicious transactions within the meaning of Article 4 (paragraphs 13 and 14) of Law 3691/2008" (Government Gazette 1735 B');

- g) the need for more effective conduct of ongoing customer due diligence by credit institutions with regard to the detection and reporting to the competent Authority (the FIU) of unusual or suspicious transactions entailing indications or suspicions of tax evasion or laundering of its proceeds, in particular following the inclusion of tax evasion in the predicate offences for money laundering of Law 3691/2008 (by virtue of Article 77, para. 1 of Law 3842/2010), as well as the need for supplementing the existing typology of unusual or suspicious transactions to include transactions relating in particular to tax evasion;
- h) the fact that the State Budget shall not incur any expenditure as a result of the provisions of this Act,

HAS DECIDED:

- A. To amend Banking and Credit Matters Committee Decision 281/5/17.3.2009 "Prevention of the use of credit and financial institutions supervised by the Bank of Greece for money laundering and terrorist financing" as follows:

- 1. Indent (vii) of paragraph 3.2 of Chapter 3 "ANNUAL REPORT OF THE COMPLIANCE OFFICER" shall be replaced as follows:

- vii. *"The number of high-risk customers with whom the CI maintains a business relationship, broken down by risk category, as defined in para. 5.15 of this Decision, as well as the other high-risk customers contemplated in para. 4.4 of this Decision, and those with whom it terminated its relationship, their countries of origin and the brief annual report of reassessment of high-risk customers."*

- 2. The second sentence of paragraph 4.4. of Chapter 4 "RISK-BASED APPROACH OF MONEY LAUNDERING" shall be replaced as follows:

- 3. *"Customers, transactions or activities referred to in paragraphs 5.15.1-5.15.11 shall be compulsorily included in high risk categories, to which enhanced CDD shall apply."*

- 4. After the end of indent (iv) of paragraph 5.4 of Chapter 5 "CUSTOMER IDENTIFICATION AND VERIFICATION PROCEDURES AND CUSTOMER DUE DILIGENCE", the following paragraph shall be inserted:

- "The customer's income shall be verified through the customer's income tax clearance form or, in the case of legal persons, the income tax returns filed (including confirmation of their filing that includes the tax payable), with the exception of the cases where the customer is exempted from the obligation to file*

*income tax returns in accordance with the relevant provisions of the Income Tax Code."*

5. The first sentence of paragraph 5.15 of Chapter 5 shall be replaced as follows:

*"In the event that CIs consider that there is increased risk, they shall conduct enhanced CDD, according to the provisions of Chapter 4 above, updating customers' profiles and business relationships on an at least annual basis."*

6. After paragraph 5.15.10 of Chapter 5, the following paragraph shall be inserted:

**"5.15.11 Business relationships and transactions that entail high risks related to tax evasion**

*CIs shall conduct enhanced due diligence, pay special attention to transactions and conduct additional ongoing monitoring of business relationships and transactions of natural or legal persons that, in accordance with specific criteria, to be determined by the CI, entail increased risk of committing tax evasion or laundering the proceeds of tax evasion.*

*In order to determine tax-evasion risks related to their customers, CIs shall take into account, inter alia, the following elements:*

- *The income source in the case of natural persons (i.e. self employed, wage/salary earners, entrepreneurs etc.)*
- *The customer's type of business or activity.*
- *The legal status and country of incorporation of legal persons.*
- *The volume and size of cash deposits and withdrawals on the customer's bank accounts.*
- *Any significant deviation in the profile of a customer's account based on the CI's knowledge of the average income declared to the tax authorities for similar professions/activities.*
- *Customers for which a request for information or for the imposition of provisional measures has been received by the CI from tax and customs or law enforcement authorities, as well as their family members and close associates.*
- *Published reports or research or statistical data issued by the Bank of Greece, competent public or independent authorities (including the FIU) or recognised national or international organisations or research centres, on income and tax withholding declared or paid by taxpayers in Greece, tax evasion patterns and tax crime-related suspicious transactions.*

*In any case, the above high risk category shall at least include:*

- *Self-employed persons whose total income credited on their own accounts or on accounts of which they are the beneficial owners exceed €200,000 during the previous calendar year.*
- *Legal persons whose total cash deposits or cash withdrawals exceed €300,000 during the previous calendar year."*

7. In paragraph 5.16 of Chapter 5, the cash withdrawal threshold shall be readjusted to €50,000.
8. In paragraph 7.1 of chapter 7 "RECORD KEEPING", the following record keeping requirement shall be added:
  - *"Copy of the customer's income tax clearance form, in the case of natural persons, or filed tax returns (including the confirmation of their filing that includes the tax payable) in the case of legal persons."*
9. The last sentence of paragraph 8.1 of Chapter 8 "DETECTION, PROCESSING AND REPORTING OF UNUSUAL OR SUSPICIOUS TRANSACTIONS" shall be replaced as follows:

*"A Decision of the Bank of Greece shall lay down an indicative typology of unusual or suspicious transactions and activities. It is clarified that the typology of unusual or suspicious transactions included in this Decision shall only be indicative and shall not in any way constitute an exhaustive list of such transactions or activities. The above-mentioned Decision of the Bank of Greece shall be intended to provide guidance to supervised entities for the detection of suspicious or unusual transactions and their reporting to the Authority referred to in Article 7 of Law 3691/2008.*

*The requirement for supervised entities to pay special attention, closely examine and conduct enhanced due diligence of all transactions which may be linked or related to a criminal activity or to money laundering or to terrorist financing and to file suspicious transaction reports on such transactions shall in no way be affected by this Decision."*

- B. To supplement Banking and Credit Matters Committee Decision 285/6/9.7.2009 «Indicative typology of unusual or suspicious transactions within the meaning of Article 4 (paragraphs 13 and 14) of Law 3691/2008» as follows:

1. In paragraph 7 "Loans" of Section A "ACTIVITIES THAT COULD INDICATE MONEY LAUNDERING" of Chapter I, the following typologies shall be added:

*"7.8 The customer provides highly liquid assets as collateral for a loan to buy or repair property.*

*7.9 The customer transfers funds abroad in order to use them as collateral for a loan and then transfers the amount back to Greece, presenting it as a loan granted to him/her or his/her business."*

2. In paragraph 10 "Money Laundering through the real estate sector" of Section A of Chapter I, Indent 10.1 shall be replaced as follows:

*"10.1 Real estate transactions at a price much higher or much lower than its fair market value."*

3. In Section A "ACTIVITIES THAT MAY INDICATE MONEY LAUNDERING" of Chapter I, the following new category shall be added:

*"13. Suspicious transactions/activities that could be linked with or related to tax evasion*

*In addition to those cases of unusual or suspicious transactions described in the categories above that could also entail tax evasion, the following unusual or suspicious transactions are more specifically related or linked to this particular offence:*

- 13.1. A customer is reluctant to provide their tax clearance form, in the case of natural persons or, in the case of a legal person, their filed tax returns as required for establishing their economic/transaction profile, despite being repeatedly requested to do so by the supervised institution.*
- 13.2. There is public information from external sources (local community, media, etc.) that a customer is involved in activities potentially linked with tax evasion or their way or high standard of living is not matched with this customer's declared income.*
- 13.3. A customer carries out transactions, especially cash deposits, which are not consistent with their income or sources of income appearing on their tax clearance form or tax returns, or with the declared business activity (especially with regard to the level and sources of income declared).*
- 13.4. During the consideration of a loan application, a customer presents evidence of income which is not declared to the tax authorities, in order to justify their ability to service the loan.*
- 13.5. Capacity of payment or repayment of loans not justified by the information provided on the tax clearance form or tax returns of the customer.*
- 13.6. A customer makes large donations not justified by their declared income and their economic/transaction profile.*
- 13.7. A customer refuses to provide the required documents to support transactions, or irregularities appear on invoices or other documents presented in support thereof, such as lack of basic data of the invoice (name and address, tax*

*registration number, document number, date of issuance, etc.), the products or services bought or sold are not associated with the activity of the customer, generic descriptions of products or services that appear to have a high cost etc.*

- 13.8. *Conduct of frequent or large-value transactions, involving sales of products which are susceptible to VAT fraud (such as computers, telephones, audio or visual products, electronic equipment, white appliances etc.), which are not consistent with the normal business conduct in this sector.*
- 13.9. *Execution of business transactions of a legal person through the personal bank account of the owners or employees of the legal person rather than through the legal person's account, so as not to record sales or other activities of the legal person.*
- 13.10. *Fund transfers for payment of goods or services purchased, wired to an account of persons other than the seller of these goods or services, in particular to the accounts of persons located in an international financial centre or offshore or very low-taxation jurisdiction.*
- 13.11. *Credits to a customer's account (such as deposits of bankers' drafts or cheques, cash deposits, loan disbursement etc.) relating to real estate sales at a price which is higher than the amount appearing in the sale contract, indicating underdeclaration of the value of the real estate transaction to evade full payment of real estate transfer tax and related duties.*
- 13.12. *Real estate or high-value purchases of goods (i.e. yachts, luxury vehicles, works of art) by a person established in an offshore or very low-taxation jurisdiction, whose beneficial owner is a natural person declaring income that would not justify the means to make this purchase.*
- 13.13. *Conduct of frequent or large transactions to/from: a) non-cooperative jurisdictions determined as such by the Ministry of Finance on the basis of assessments of evidence of their transparency and exchange of information in tax matters; and b) jurisdictions having serious weaknesses in their AML/CFT regime, including the lack of adequate criminalisation of tax crimes as a predicate offence for money laundering.*
- 13.14. *Transactions on the accounts of newly acquired or newly established legal entities registered in international financial centres or offshore or very low-taxation jurisdictions, or on the accounts of entities having a postal address of private individuals, or transactions that are unusual in relation to the nature or scope of business of the account holder, or on the accounts of entities the nature of business of which, as described in their articles or statutes, is very wide or imprecise.*
- 13.15. *Large turnover is detected on an account of a customer, or an account of family members or close associates of a customer, for whom the CI has received requests from tax, customs, judicial and law enforcement authorities to*

*provide financial information or to impose provisional measures in order to safeguard the interests of the Revenue Authorities.*

13.16. *The business transactions of a customer for whom the CI has received requests to provide information or has been asked to impose provisions measures in order to safeguard the interests of the Revenue Authorities (from tax, customs, judicial and law enforcement authorities) are transferred to a newly opened or existing bank account in the name of an entity owned, administered or represented by him/her or to related persons' accounts.*

13.17. *Transactions involving sales of corporate assets under non-market conditions (at prices significantly lower than market prices, sales to related persons, forced sales) indicating attempts of fraudulent bankruptcy of the legal person."*

This Act shall be published in the Government Gazette and shall be posted on the website of the Bank of Greece.