

## Reliance on Third Parties

Where countries allow financial institutions (FIs) to rely on third parties to perform elements of CDD measures ((a)-(c) of the CDD measures set out in Recommendation 10) or to introduce business, ultimate responsibility for the CDD measures remains with the FI placing reliance on the third party and countries should ensure that:

- > The FI relying upon a third party:
  - (a) immediately obtains the necessary information concerning elements (a)-(c) of the CDD measures set out in Recommendation 10.
  - (b) takes adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the CDD requirements will be made available from the third party upon request without delay.

- (c) satisfies itself that the third party is regulated, supervised or monitored for, and has measures in place for compliance with, CDD and record-keeping requirements in line with Recommendations 10 and 11.
- (d) and the country should have regard to information available on the level of country risk in determining in which countries the third party, that meets the conditions for reliance, can be based.
- > When the FI relies on a third party that is part of the same financial group, and:

  - (i) that group applies CDD and record-keeping requirements, in line with Recommendations 10, 11 and 12, and programmes against money laundering (ML) and terrorist financing (TF), in accordance with Recommendation 18; and

(ii) where the effective implementation of those CDD and record-keeping requirements and AML/CFT programmes is supervised at a group level by a competent authority, then,

relevant competent authorities may consider that the FI applies measures under (b) and (c) above through its group programme and may decide that (d) is not a necessary precondition to reliance when higher country risk is adequately mitigated by the group AML/CFT policies.

This Recommendation does not apply to outsourcing or agency relationships, which apply the FI's delegated CDD measures rather than their own.