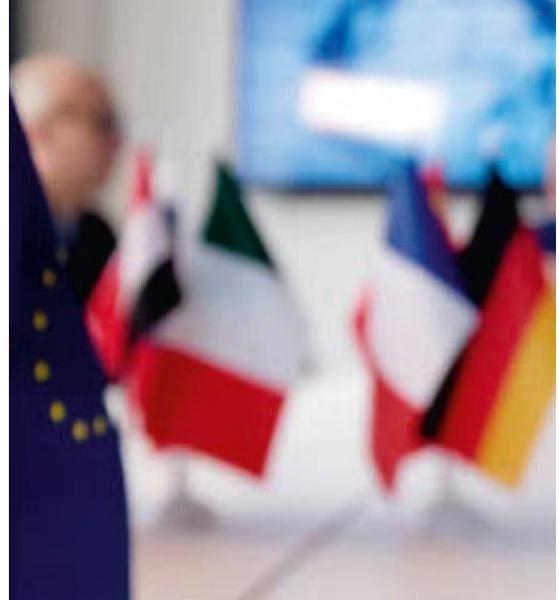A guide for foreign embassy staff

Becoming a bank customer in Sweden

The aim of this fact sheet is to provide general information about access to bank accounts and payment services in Sweden for foreign embassy staff.

When providing bank accounts, banks are obliged to fulfil the requirements of the Swedish AML/CFT Act[1] that imposes upon the bank the responsibility of collecting sufficient relevant information about a customer in order to be able to manage risks of money laundering and terrorism financing. The AML/CFT Act is the Swedish implementation of EU:s AML Directive. Similar legislation exists in all the EU Member States.

KnowYourCustomer (KYC) information

The AML/CFT Act requires that a bank, prior to opening an account, gathers certain information about a customer also known as KnowYourCustomer (KYC). The bank must risk-assess each customer regarding the risks of money laundering and/or terrorism-financing that a customer may pose to the bank, and then apply efficient risk-mitigating measures. All transactions and activities carried out by the customer must be monitored for signs of money laundering and terrorism-financing.

Deviations must be investigated and suspicions must be reported to the national Financial Intelligence Unit. The banks need to apply risk-mitigating measures where the risk is greater, such as an enhanced KYC and more intense transaction-monitoring.

If the bank cannot obtain relevant and sufficient KYC-information, the bank is legally obliged to deny the customer an account or, if possible, offer a limited range of products and services. The bank could also be forced to close an existing account if the KYC-information is not or cannot be kept relevant and updated.

It should be noted that the AML/CFT-legislation makes no exemptions for any type of customer, including embassy staff.

The opening of a bank-account is a legal agreement between the customer and the bank. The customer can only use the account for his or her own transactions and not on behalf of anyone else. For example, a CEO, or any other employee cannot use a privately owned bank account on behalf of the company.

Below is a general description of the KYC-process and of the information the bank requires when a new customer is applying for a bank account. Please note that the extent of the KYC-actions and the exact documentation needed can vary.

Required documents and information

Identity card and passport

The customer must be able to provide identification. Identity cards are issued to all staff on diplomatic missions, at career consular posts or in international organisations. This also includes family members who form part of their household as well as private servants. Identity cards are valid for a maximum of three years.[2]

The bank requires that the customer can identify him/herself using both an identity card issued by the Swedish Ministry for Foreign Affairs and a passport.

[1] Act (2017:630) on measures against money laundering and terrorism financing
[2] Information on identity cards at the Swedish Government, 3.2.2 Identity cards - Government.se

Svenska **Bank**föreningen
Swedish Bankers' Association

Information the bank will need:

- Name
- E-mail address and phone number – where the bank can reach you
- Official and postal address in Sweden
- Citizenship(s)
- Certificate of employment issued by the embassy
- Tax Identification Number (TIN)

Politically Exposed Persons (PEP)

A PEP is a person who is, or has been entrusted with a prominent public function in a country or an international organisation. Due to the position and influence, a PEP is considered to hold a position which constitutes a risk of being exploited for, for example, bribery and corruption among other things. The bank is obliged by law to ask the customer if he or she holds a prominent public function, for example as an ambassador. To mitigate the risk with a PEP the bank needs to ascertain the customer´s source of funds and to carry out enhanced monitoring.

The requirements regarding a PEP extends also to the PEP's closest family members and to the PEP's known close associates.

Connections with a high-risk third country

The European Commission has listed a number of countries as high-risk third countries and the bank needs to establish whether the customer has ties to any of the countries on that list. If so, the bank must apply risk mitigating actions in the form of enhanced KYC and obtain further information regarding the customers´ source of wealth.

The purpose and nature of the business relationship

The bank will need information about how the customer intends to use the bank´s products and services and to what extent. This information is needed to be able to assess what transactions and activities are normal for the customer. The KYC-process is risk-based and the extent can vary from customer to customer depending on the risk.

Because the bank needs to keep the KYC-information constantly updated it can therefore be necessary to contact the customer on an ongoing-basis to verify that the information is still valid or to ask new questions.

Interpretation and translation

Swedish banks communicate in Swedish. Not all banks offer information in English. The customer needs to be able to understand the bank´s questions and information. Those who are not comfortable communicating in Swedish or in English need to use an interpreter in meetings with the bank.

The bank needs to be able to understand documents requested as part of the KYC-process. If such documents are written in a language other than Swedish or English, the customer needs to have them translated by an authorised translator.

When leaving Sweden

The customer needs to close his/her bank account and cancel other bank services and products before they end their diplomatic mission and before they leave Sweden.

Further information

Political exposed persons (PEP) (swedishbankers.se)
Why the bank has to ask (swedishbankers.se)