



OBLIGATIONS BANK ACCOUNT HOLDERS IN EU WITH REGARDS TO PROVIDING VALID ID AND ORIGIN OF FUNDS

CAB Spain Admin note: Go to Myra's and Philip's comments on page two for references to the law.

Member: Got a non-resident bank account? If you have you MUST ensure your bank has a digital copy of your ID before the 15th of December or your account will be suspended, meaning your bills will bounce and no transactions will take place. Depending on the bank, utility bills and standing direct debits will probably continue to be honoured, but you won't be able to transfer cash out of the account.

The warning comes as banks remind their customers that under the Ley 10/2010, de Prevencion de Blanqueo de Capitales, the deadline is fast approaching.

Member: We asked our bank if we needed to do anything regarding this, they sent us a form we have to complete and return by email. The form seems to cover both resident and non-residents as the first question asks what our status is. Proof of being non-resident is something that proves your address in the UK is your permanent residency (e.g. a utility bill). The form also asks for our annual income amount and also what our state of employment is (unemployed, retired, employee), interestingly a separate box to tick if you are a civil servant or if we have ever held a position of political responsibility or have a relative that has/does. The final details required concern the purpose of our Spanish account.

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Member: We have two accounts in two separate banks. Have tried to register our digital info today. Both banks claimed to have no knowledge about the need to do it! I guess they have a copy of our passport from when the account was open. Will wait and see if the bank gets back in touch.

Member: Much confusion as usual. Is Philip Carroll able to enlighten us? I have a resident account but many of my friends are property owners who live in UK and only come out on holiday and short breaks so I would be interested to see what the CAB Spain official advice is. The form that one of the members has been given to complete is very intrusive and comprehensive and I can't believe it is necessary. I understand the law involved is all about money laundering ley 10/2010 but surely for non-residents just using the account for day to day running costs and transferring the odd amount in to cover it, a passport and Nie to scan should be enough. No need to supply income detail etc.

Myra Azzopardi Swainson: This is direct from one the banks or cajas 'La Caixa' mentioning the name as they took the trouble to provide the information. Residents and non-residents alike do not need to wait and should now be providing their banks with

1. Up to date ID originals.
2. The origin of funds. This does not have to be broken down but for example. Employed or self-employed, proof such as declaracion de le renta (tax returns for the last year) or other. Pensioners, proof of pension. Non-residents working abroad p60 or equivalent.

Member: Surely some of this would not be appropriate for non-residents who are tax resident in another country and declare their income there. In fact the only reason non-residents have a bank account in Spain is usually to pay by direct debit for IBI, water and electricity. They can use their UK bank card to withdraw cash for anything else. Since the object of the law is to prevent money laundering I think accounts where only trivial amounts are involved should be exempted from most of this. As usual common-sense does not prevail. I can see many people being caught out as even some banks don't seem aware of it. As we are resident I will talk to our bank and see what they require but nothing was said when we visited last week. I would have an issue

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with my bank seeing my tax return as they would have access to my income and would probably want to sell investments (all my income is paid into a UK bank / building society) currently.

Philip Carroll: In my view, this is about money laundering and exchange of information between the tax authorities.

Ley 10/2010, which is based on an EU directive. 10/2010 states that financial institutions must ensure they identify the beneficial owner of the account. This applies to all new accounts they open, but more importantly it also applies to existing account holders. For existing accounts holders they are required to confirm the identity when a new product is established (this might explain a lot) or, at the very latest within 5 years of the Act coming into force, April 2015. In addition they are required to keep digital copies of the documentation they accept. This applies to all account holders, whether they are resident or non-resident.

However, and here's the rub that appears to have fallen between the cracks, there is a different EU Directive under which they are supposed to be able to provide information on all non-resident account holders as part of the tax information exchange from the 1st January 2015.

So, in my view that's why there is some last minute scrambling, presumably in respect of accounts where they haven't got up-to-date digital information.

Myra Azzopardi Swainson: I often post my muses about these sort of things on my private page as not able to voice my opinions on this page. This is due to the European money laundering and arms sales to terrorists protection excuse!

Philip Carroll: The words sledge hammer and nut spring to mind

Member: Sledge hammer to crack a nut me thinks. I don't like the idea of giving my bank too much information about my income the authorities can access it via our tax returns after all. I will report back when I talk to my bank.

Member: LOL Philip Great minds Eh?

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Philip Carroll: I don't think you'll have any luck at the bank they don't have access to your tax returns, and they have to obtain the information from you. The sanctions for not complying with the law are quite severe, they make the 720 fines look like pennies. The problem you have is they are supposed to monitor your activity as part of a risk management profile.

Source: citizensinspain Facebook group, 29/10/14

For privacy reasons the names of members have been removed.

<https://www.facebook.com/groups/citizensinspain/>

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