Regulation No. 811/2008 on politically exposed persons with respect to measures against money laundering and terrorist financing

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Article 1
Scope

This Regulation stipulates which persons shall be regarded as politically exposed persons pursuant to Article 12 of the Act on measures against money laundering and terrorist financing.

Article 2
Politically exposed persons

For the purposes of Article 12 of the Act on measures against money laundering and terrorist financing, politically exposed persons are understood to be persons residing outside Iceland who are or have been entrusted with prominent public functions, as well as their immediate family members and close associates. Persons who are or have been entrusted with prominent public functions shall include the following:

a) heads of state, cabinet ministers and deputy ministers or assistant ministers;

b) members of parliament;

c) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal except in exceptional cases;

d) members of courts of auditors or of the boards of central banks;

e) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;

f) members of the administrative, management or supervisory bodies of state-owned enterprises.

The persons listed in subparagraphs (a) to (e) of paragraph 1 shall be regarded as politically exposed persons, even if they hold the positions in question at the European or international level.

For the purposes of paragraph 1, immediate family members shall include the following:

a) the spouse;

b) any partner considered by national law as equivalent to the spouse;

c) the children and their spouses or partners;

d) the parents.

For the purposes of paragraph 1, close associates shall include the following:

a) any natural person who is known to have joint beneficial ownership of legal entities with a person who is or has been entrusted with prominent public functions;

b) any natural person who has had a close business relationship with a person who is or has been entrusted with prominent public functions;

c) any natural person who has sole beneficial ownership of a legal entity which is known to have been set up for the benefit de facto of a person who is or has been entrusted with prominent public functions.
A person who has ceased to be entrusted with a prominent public function for a period of at least one year shall not be considered a politically exposed person.

**Article 3**

**Transposition**

This Regulation is established in accordance with Article 28 of Act No. 64/2006 on measures against money laundering and terrorist financing.

This Regulation is established for the transposition of Commission Directive 70/2006/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of ‘politically exposed person’ and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis, to which reference is made in Annex IX to the EEA Agreement, as amended by a Decision of the EEA Joint Committee No. 152/2006 of 8 December 2006.

**Article 4**

**Entry into force**

This Regulation is effective immediately.

On its entry into effect, Regulation No. 550/2006 on the obligation to report and customer due diligence in connection with measures against money laundering and terrorist financing, is repealed.


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