On 15 April 2009 the amended act concerning measures to counter money laundering and terror financing entered into effect in Norway

The bank is thus required to ask certain questions

What is money laundering?
Money laundering is the process of creating the impression that illegally obtained money originated from a legitimate source. This process often involves cross-border transactions. The funds may originate from drug transactions, trafficking, human smuggling, tax evasion, weapons trading, robbery, fraud etc.

Money launderers use the banking system to make it more difficult to trace the criminal origin of funds. Money laundering can be fairly complex. In addition to cash transactions, among other things launderers use transfers and other Internet and telephone services.

Act on measures to combat money laundering and terror financing
New laws are being introduced all over the world to prevent banks and financial institutions from being used for money laundering purposes. The Norwegian act is based on the EU's third anti-money laundering directive, which stipulates that all financial enterprises in the EU/EEA must introduce measures to prevent money laundering. The law also applies to enterprises and professionals outside the financial sector such as auditors, lawyers, and estate agents.

Equivalent rules apply with respect to measures to counter terror financing.

The bank is required to ask questions
In short, the amended act on measures to combat money laundering and terror financing means requires the bank to assess the risk that it might be used for money laundering purposes. The act stipulates that banks must know their customers well and have a good understanding of the customers' banking transactions. The bank is required to know the purpose of the banking relationship and of the customers' various transactions.

The customer information is treated as confidential and is protected by the bank's statutory duty of confidentiality

Purpose of the transaction
When you want to execute a payment or some other transaction you may be required to answer questions and present valid proof of identity. The transactions to which this applies are those that are over a certain amount, are perceived as unusual, and those whose purpose is unclear to the bank. In such cases we are obligated to ask about the purpose of the transaction, the source of the funds, what they are to be used for etc.

In some cases the bank will ask to see a contract, receipt or other document that supports the customer's explanation.

New customer
The bank is required to check the identity of all new customers, e.g. in connection with opening an account, entering into a contract to save in mutual funds or taking out pension insurance. In order to meet the bank's statutory obligation to know our customers, our employees have to ask many, sometimes detailed, questions about you and your relationship with the bank.

Existing customer
Even if you are already a customer, you must provide valid proof of identity and provide supplementary information upon request. This could apply, for instance, when you want to carry out a transaction or request a new service.

Aliens and non-residents
There are special rules people who are not Norwegian citizens or live outside Norway. The bank needs to know if you have a high political or public administration position in a country other than Norway, or if you are a close relative or employee of any such person.

Business customers
Anyone acting on behalf of a business must present valid identification (e.g. a passport), upon request, in addition to documentation proving that they are duly empowered by the company. The bank is also required to determine who ultimately owns more than 25% of the company and who has a controlling influence (beneficial owner). The bank is also obligated to ask questions about the nature of the company's business, sales volumes and how the company plans to use the bank's services.

In some cases the bank may be unable to execute the requested transaction
If you cannot produce valid proof of identity, specify the beneficiary owner(s) or give a satisfactory account of the purpose of a transaction, the bank is not allowed to execute the transaction in question. The bank is required to terminate any customer relationship established after 15 April 2009 if the customer breaches anti-money laundering rules. Bank employees who carry out a transaction in violation of the law are liable to prosecution, in addition to which sanctions may be imposed on the bank.

If the event of any suspicion of money laundering, the bank is obligated to report the matter to the Norwegian Central Unit for Investigation and Prosecution of Economic and Environmental Crime ("Økokrim").