



Vietnam - AML KYC Regulations

Document History

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1. Introduction

The State Bank of Vietnam introduced its framework on anti-money laundering and countering the financing of terrorism to criminalize anti-money laundering and lay down appropriate safeguards and guidelines. These regulations stipulate the rights and obligations of legal persons and natural persons in preventing and detecting money laundering and terrorist financing. These regulations also contain provisions regarding Customer screening, identification and verification of Customers.

2. Scope

This 'Vietnam - AML KYC Regulations' report may be used as a reference to highlight information from the Vietnamese '*Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering*'.

Under the guidelines from the State Bank of Vietnam and the aforementioned legislation(s), this document highlights the necessary requirements for AML and KYC procedures, in particular Identity Verification, required in Vietnam.

3. Definitions

- **Client**: Shufti Pro's customer is referred to as the Client.
- **Customer**: The Client's customer whose subject to the KYC - AML checks.
- **End-user**: The Client's Customer is referred to as end-user but from Shufti Pro's perspective.
- **Document Verification**: The process of verifying the authenticity of a government-issued identity document.
- **Identity Verification**: The process of verifying the identity of the Client's Customers.

- **Proof of Identity**: Any government-issued identity document that can be used to identify a natural person (Individual).
- **EDD**: Enhanced Due Diligence (EDD) is a process that executes a greater level of scrutiny related to potential business relationships.
- **Third-Party Diligence**: Outsourcing of the due diligence process to an external party by the Client who is originally responsible for carrying out due diligence activities.
- **PEP**: Politically Exposed Person (PEP) is a person with a higher risk for potential involvement in bribery/corruption.
- **Due Diligence**: Refers to the measures taken to mitigate risk before entering into an agreement or carrying out a financial transaction with another party.

4. References

- [Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering](#)
- [Amending and supplementing a number of articles of Circular No. 35/2013 / TT-NHNN dated December 31, 2013 guiding the implementation of a number of provisions on prevention of money](#)

5. Due Diligence Requirements

5.1. Identity Verification Requirements of Individuals¹

As per the requirements of the Vietnamese regulations, these are the following ID attributes required for the purpose of identifying a natural person (Individual) from official documents.

- Full Name;

¹ Article 10 Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

- Date of Birth;
- Nationality;
- Permanent and current residential Address;
- Identity Document Number.

5.2. Identity Verification Requirements of Legal Entities²

- Full name;
- main office address;
- incorporation permit;
- business reference number;
- contact details.

5.3. Compliant CDD Methods

Shufti Pro may apply one or more of the following measures at the request of the Client to perform Identity Verification on its behalf. Where an End-user is an Individual, who does not present himself to the Client for verification in physical presence.

5.3.1. Shufti Pro shall perform verification of the End-user's identity based on documents that are highlighted in 5.4. These documents provide reasonable reliability to the confirmation of the identity in Vietnam. Shufti Pro shall ensure that documents being utilized are photo-based biometric identification documents that suffice requirements for Identity Verification.

5.3.2. Shufti Pro can also perform verification of the End-user's identity through a real-time audio-video transmission, where a live, interactive video session is carried out between an identification expert and the End-user. During this session, the End-user will be asked to show their identity documents. The End-user will

² Article 10 of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

also be asked to perform some random gestures as a part of a liveness check.

- 5.3.3. To verify the End-user's identity, Shufti Pro shall also verify the documents that are submitted. Shufti Pro utilizes its specialized Document Verification service to perform checks on the authenticity of the document. This includes checks on security features such as holograms, tapered/crumpled edges, doctored elements, form inconsistencies, document expiration, MRZ, reflected colors, and microprinting.

5.4. Documents Required for Verification

The following documents are considered in Vietnam as Proof of Identity:

Identity Verification³

- A valid passport;
- A valid driver's license;
- A National Identity Card.

Address Verification

The following documents are considered as proof of address:

- A current utility bill (such as gas, electricity, telephone or mobile phone bill);
- A document issued by a government department that shows the End-user's address;
- A bank statement (no older than 3 months) that shows the End-user's address.

³ Article 10 of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

5.5. Timing of Verification

Identity Verification is not limited to a one-time, one instance process. In fact, it is required in multiple instances as per regulations.⁴ The application and choice of when to deploy Identity Verification procedures depend on the Client's requirements and correspondence with Shufti Pro.

The Client is to pursue Identity Verification when onboarding a new Customer. If the Client is dealing with transaction data, the Client should apply Identity Verification as per the monetary thresholds defined in Vietnamese regulations. In other instances, Identity Verification becomes more important to employ if the Client faces higher risks from the Customer. A high-risk situation would be any instance where an Individual might represent above normal exposure of money laundering related threats to the Client.

6. Politically Exposed Persons and EDD Measures

As per the Enhanced Due Diligence requirements under Vietnam's regulations, the Client is required to determine if the Customer is a Politically Exposed Person, holds a public office, or exhibits a higher risk profile.⁵ In order to fulfil the Client's obligations, Shufti Pro provides the Client with its AML Screening service. The service screens an Individual's selected ID attributes of Name and DOB against watchlists of global regulatory authorities, foreign and domestic databases, compromised PEPs and sanctioned Individuals.

The service highlights the category of the PEP based on the degree of risks they pose and any immediate family member, or a close associate of the PEP.

The Client may utilize such services as per the Client's requirements. This includes before or after establishing a relationship with the Customer.

⁴ Article 9 of the of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

⁵ Article 17 of the of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

7. Reliance on External Services

Legislation(s) states that Clients on their discretion may seek the services of a third party for fulfilling AML/KYC obligations, as long as the third party meets the requirements set out by law.⁶ Regardless of reliance on a third party, the Client will remain liable for maintaining regulatory compliance as well as fulfilling AML and KYC obligations.

8. Record Retention

As per Vietnamese regulations, the Client is required to retain data for not less than five (5) years after termination of business relations.⁷ These are a part of the Client's AML and KYC obligations for due diligence. In the case where this information is processed, collected and managed by a relevant third-party, the Client is liable to collect all such necessary information (Due Diligence Data) from the third party without undue delay.

⁶ Article 13 and 14 of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering

⁷ Article 38 of the of the Law No. 14/2022/QH15 dated November 15, 2022 on Anti-Money Laundering